THE LABOUR MONTHLY

A MAGAZINE OF INTERNATIONAL LABOUR

Editor: R. PALME DUTT

Volume 11 December, 1929 Number 12

PRINCIPAL CONTENTS

Notes of the Month

THE LABOUR GOVERNMENT AND THE ECONOMIC SITUATION R. P. D.

The Chartist Movement

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The Rôle and Leadership of the Indian Working Class

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"Cross Roads"—A Criticism

THE EDITOR OF "THE LABOUR MONTHLY"

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CONTENTS

Notes of the Month - - - - - - Page 707
THE LABOUR GOVERNMENT AND THE ECONOMIC SITUATION *By* R. P. D.

The Chartist Movement - - - - - ,, 721
By KARL MARX

Unemployment and the Labour Government - ,, 731
By W. HANNINGTON

The Rôle and Leadership of the Indian Working Class - - - - - - - - ,, 741
By CLEMENS DUTT

Hoover and MacDonald - - - - - ,, 753
By SCOTT NEARING

Cross Roads—A Criticism - - - - - ,, 757
By the Editor of the "Labour Monthly"

The World of Labour - - - - - ,, 761
U.S.A.—Finland—Italy

Index to Volume XI (1929) - - - - - ,, 765

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NOTES OF THE MONTH

The Economic Perspective — Labour Government's Failure — Capitalist Criticism — Thomas versus Five-Year Plan — Rationalisation Discussion — Capitalist Decline — A Break? — Reformist Whitewash — Isolated "Facts" — Dialectical Method — Dynamic Forces — World Situation — Obstacles to State Credits — Resistance to Rationalisation — Financial Policy — Reformist Collapse — Bank Rate Controversy — Snowden's "Strength" — Social Fascism.

WITH the closing of 1929, and the main outlines of the Labour Government's programme now fully shown, it will be of value to return to the question of the economic sitation and perspective in Britain, and examine it in relation to the Labour Government. The correct understanding of this situation is at the basis of our tactical line. At present there is talk in reformist circles of a break in the decline of British capitalism, of the recovery of pre-war levels, of signs of an upward movement in production and trade. Under cover of this talk it is attempted to screen the real dominant factors of the economic situation. For the most important fact of the present economic situation is not the particular, very slight movements of the monthly totals of production and trade, which in general only repeat and reinforce the picture of the past eight years. The most important fact of the present economic situation is *the conspicuous failure of the Labour Government even to attempt or make a show of any large-scale programme of industrial reconstruction and development or serious constructive measures to counter unemployment.* This failure will stand out historically as a very big fact and salient stage in the decline of British capitalism. It is a failure of decisive importance for the whole character of the present period ; for it is a failure of *revolutionary* significance. On the one hand, it compels the whole character of the rôle of the Labour Government in relation to the situation and to the working class, and marks out for it the rôle, no longer of the old type of reformism, but the new type whose essential, developed character is described as social fascism ; on the other hand, it shows that *the forces of decline in British capitalism, so far from growing weaker, are growing stronger.*

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WHAT is the position ? The Labour Government came to power very largely on the basis of its criticism of the economic policy of the Baldwin Government, and of the loudly denounced failure of that Government to solve the unemployment crisis. Before the election, the Baldwin Government's policy of " economic defeatism," as it was called (actually, of ruthless class-war to re-establish British capitalist efficiency by the only possible means, at the expense of the workers) was the subject of universal attack. The Labour and Liberal Parties vied with one another in their programmes of large-scale reconstruction. The Liberal Party offered to " conquer unemployment " in one year by schemes involving loans of two hundred million pounds. The Labour Party offered " comprehensive and far-reaching " schemes of " national development." To-day the Labour and Liberal Parties have their majority ; and a Labour Government is in office with Liberal support. But the grandiose schemes have vanished into thin air. In all essentials, *the Baldwin line continues*, the line of slow and painful rationalisation, of maintenance of the gold standard at all costs as the primary factor, of renewed attacks upon the workers. The Government scapegoat, Thomas, has had to make the most of a few scraped-up fragments, which are not even successful as window-dressing. The main line remains the line of the attack on the workers, with the practical assistance of the Government, as in textiles. What is the reason of this failure ? *The reason for this failure goes beyond the question of the Labour Government, and goes to the heart of the whole present position of British capitalism and the reality of the decline.*

WHAT is the reason of this failure ? The criticism, it is to be noted, does not come in the main from socialistic or Labour supporters ; these are for the most part satisfied to leave untouched the basic question of industry, and concentrate their cry on small increases in immediate social benefits. The main criticism comes from the bourgeoisie, and this not simply from professional partisan elements, such as are merely concerned to score a point and turn the tables on the old easy criticism of Baldwin, but from serious bourgeois expression. It is a responsible bourgeois organ such as the *Economist* which, after

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having previously built up cautious hopes on the return of a Liberal-Labour majority and the possibility of economic reconstruction, now expresses its disappointment that—

> no substantial degree of success can be expected—for the sufficient reason that there are no thoroughgoing plans and no evidence of any constructive policy.
>
> The schemes themselves no more than touch the fringe of the problem.—(*Economist*, November 9, 1929.)

Again it is the *Economist* which finds the coal reorganisation proposals "inadequate" and a complete failure to redeem the pledge "to reorganise the industry from top to bottom"; or it is Sir William Beveridge who complaims to *The Times* that the proposals are calculated to "stereotype as far as possible the existing structure of the industry and the existing distribution and production." *Thus we have the curious spectacle of the bourgeoisie complaining to a Labour Government that it is failing to reorganise industry, and accusing a Labour Government of seeking to conserve the existing obsolete industrial structure.*

WHAT, then, is the reason of this failure? It is not a question of lack of a majority. The Labour-Liberal majority has full parliamentary power; and the partners of the Labour Government in this majority, the Liberal Party, are officially chiding the Labour Government for its lack of any ambitious plans of reconstruction, *i.e.*, are fully pledged to the support of any larger plans. It is not a question of any lack of plans, so far as plans on paper go; the voluminous propaganda literature of the Labour Party is full of plans of every shape and size; their pigeon-holes are stuffed with the infinite expert schemes of the Fabian mandarins. It is not a question of any lack of wish, if they could only see an easy way forward; the parliamentary members of the Labour Party, and not least the Government Ministers, would be only too thankful if they could have something more plausible to present to their constituents. It means, then, that there are overwhelmingly stronger forces in the whole situation of British capitalism which paralyse their action and prevent advance. *The contrast between Thomas's pitiful and ambiguous forty-two millions, in the second wealthiest capitalist country in the world, employing a few*

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thousands for a medley of minor and unrelated oddments, and the gigantic purposeful offensive in every field of the Five-Years' Plan in the Soviet Republic—this contrast is more than a contrast between the two lines of policy before the working class, the parliamentary line of the Second International, and the revolutionary line of communism; it is a contrast between the impotence of dying capitalism and the advancing, creative power of revolutionary socialism.

TEN months ago we had occasion to analyse the British economic situation and perspective in relation to the prospect of a Liberal-Labour majority at the election and the question of an attempted campaign of state-aided rationalisation, and also in relation to the analysis of such a perspective held out by Comrade Varga in this journal and the discussion therefrom arising last year. At that time it was necessary, at the same time as disagreeing with the actual analysis of Comrade Varga, to insist on the danger of the merely negative treatment with which it tended to be received and, in particular, of the "automatic negative" view of the decline as a single unbroken line of descent or stagnation in production and trade, instead of seeing it as a dynamic process of increasing contradictions and weakening through a variety of forms; and on this basis to insist on the "theoretical possibility" of the perspective held out by Comrade Varga, and that the correct treatment lay, not in blank denial, but in bringing out the new contradictions inherent in any such attempted line of development. Ten months' experience have now largely reinforced, and made it possible to present far more concretely, this line of treatment, which was at the time widely misunderstood as a revision of the conception of decline, instead of as its reaffirmation and clearing against distortions.

THE correct understanding of the conception of the capitalist decline in Britain is so important, and the falsity of the current reformist distortions of that conception, whether in order to "disprove" it or even as supporting it, are so dangerous, that it may be worth while to repeat the essential definitions of the incorrect and correct conceptions, as given in those Notes. First, the incorrect conception:

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> The decline of capitalism comes to be loosely identified with the existing industrial depression, and even to appear as no more than a high-sounding synonym for it. Its demonstration comes to turn on the manifold detailed figures of trade and production below pre-war, which are already trundled out in abundance by the bourgeois economists. Wherein lies the special danger of this vulgarisation? It lies in this: that the decline becomes misconceived as an automatic unbroken line of descent or stagnation in production and trade, and the suggestion of facts or possibilities at variance with this appears to endanger the whole conception of the decline.

Second, the correct conception :—

> Putting the conception in its most abstract form, we might say that the essence of the decline of capitalism consists in this: that the contradictions of capitalism have become stronger than its possibilities of further development, so that, whereas in the classic period of capitalism the contradictions and consequent crises are a driving force to its further development, in the declining period the contradictions are a driving force to its destruction, because the only further development possible is along the path of the Socialist revolution.

The practical conclusion from this is that, in relation to new phenomena, possibilities or variations within the process, we should not simply present a negative assumption, demonstration of obstacles or improbability, &c., but on the contrary, on the basis of these, should seek for the new points of contradiction involved in them :—

> What is important is to widen the horizon of our outlook, to avoid mechanical views of the situation as developing along a single line in which the future merely repeats the past, and to strengthen the revolutionary understanding of the present period and our tasks by concentrating on the successive ever new points of sharpening contradictions, which provide the conditions of revolutionary advance.

LET us now turn, with this analysis in view, to the present situation. In the first place, it is clear that the dangers of the "automatic negative" view have been strongly reinforced by recent discussion. Just those who had fallen into this type of outlook, and particularly the reformists who had criticised the communist conception as if it were based on this outlook, have now fallen into the complementary error, and find in recent figures of a rise in production or exports a "break" in the decline. This is the old error turned inside out. Because the Board of Trade index figure of production shows a slight increase for 1929 as

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against 1928 (actually, the rate of increase over the years 1924-28 was already very much faster ; the increase, instead of being a startling new phenomenon, has for the moment begun to slow down) ; or because the export figures of 1929 show a slight increase on 1928, and those in turn on 1927, it is felt that the process of the decline has been at any rate temporarily interrupted, or begun to move the other way, or even that the whole conception of the decline has been disproved. *Thus these sages hang dependent month by month on each new figure of the Board of Trade as proof or disproof of the decline, much as if a doctor were to take each hourly fluctuation upwards and downwards of a dying patient's pulse and temperature as proof or disproof that he is sick or recovering.*

THIS reaches a comic level in the reformist Press, where all attempt at any basic judgment of the situation and its tendencies disappears into an empirical medley of current figures and facts. Thus in an article on the economic situation in last month's *Socialist Review* we are bidden at the outset to dispense with " views and information which have been promulgated of recent years and have already become out-of-date." Having thus freed our minds of " prejudices," and basing ourselves on the most recent statistical information, we proceed to receive a remarkable picture of " the present economic position of Great Britain." We learn, among other things, that " this country is now far more prosperous than it was in 1913 " ; that " British goods are being sold abroad at a competitive price well below world level " ; that " the coal industry is one of the most profitable industries in the country " ; that " employment has risen considerably " ; that output " rose to pre-war level by early in 1924 " and " soon afterwards output per head rose to pre-war level. This is very remarkable when we remember that working hours were reduced on the average by well over 10 per cent. during that period " ; that " from 1924 to the current quarter of this year there has been a rise in total output of 13 per cent " ; that " since 1924 the real wages of the workers have risen by 6 per cent " ; and that " up to now production and employment have been rising in a very gratifying way ; production has at last caught up its 1920 boom figure, and now seems to be higher than it has ever been before."

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We are not surprised further to be warned against talk of "capitalist rationalisation," which expression is "a noxious weed" to be removed "from the well-ordered garden of information which I am attempting to lay out"; and to learn that "all this talk about under-consumption and 'ever-increasing contradictions of capitalism,' on which so much pseudo-Socialism is based, is arrant rubbish." As a serious "Survey of the Present Economic Position of Great Britain," this painstaking compilation of current capitalist propaganda material would be a curious production even in a capitalist economic journal which was actually concerned with the real problems of the situation; for it to appear at the present juncture in a nominally working class and "socialist" journal is more than curious, and a notable indication of the present level of Labour reformism (in the "left wing" I.L.P.).

WHAT is important here and in similar treatments is not merely the degree of rightness and wrongness in the particular "facts" which are presented so cheerfully at face value without further analysis (the measure of "output," the figures of which here given differ completely from other authoritative estimates; the meaning of "real wages," which are constantly calculated in capitalist sources on a basis of full-time wage rates, instead of on the basis of the actual earning of the total working class population, employed, unemployed and short-time; the limited value of any conception of "real wages" which does not take into consideration the very differing processes undergone by different sections of the working class, &c.). What is important is the *method: i.e.*, the completely undialectical piling up of isolated unanalysed "facts" in order to reach a total picture of the situation; in place of the dialectical analysis of the facts in their relationships as part of a total moving situation, in order to lay bare the real driving forces and tendencies.

ONE or two illustrations may help to make this clear. For example, a statistical table may show a rise in production and exports over a certain period of months. Thus the London and Cambridge Economic Service finds that total output in Britain, on the basis of 1913 as 100, reached 96 in the first quarter

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of 1928, 98 in the first quarter of 1929, and 100 or pre-war level in the second quarter of 1929. Again, British exports for the first three quarters of 1929 reached a total of £543 millions, against £535 millions for the same period of 1928, or an increase of £8 millions. Does not this disprove the talk of capitalist decline, and prove a rising tendency of British capitalism, both in production and in the markets of the world ? Not so fast. Production may rise, very slowly, in Britain, as a result simply of technical development; but if at the same time production has gone ahead very much faster in every other leading country, it is obvious that the net position of Britain has gone backward. Again, production cannot be considered out of relation to productive power. If at the end of sixteen years a larger population, with very much higher technical means of production, can only attain the same output, it is obvious that what has actually taken place is a decline. In this way, an actually rising volume of production can be accompanied by increasing stagnation, mass unemployment and visible economic decline. Again, British exports may show a rise both in values and in volume ; but if in the same period the exports of the other leading industrial countries have gone ahead very much faster, then it is obvious that the real position of Britain in the world market has weakened. If, further, exports of manufactured goods have actually decreased within this rise ; or if the rise is not sufficient to prevent a still rising visible adverse balance of trade, then it is obvious that the conclusions to be drawn are still further affected. (See the November *Circular* of the Labour Research Department for a discussion of some of these figures ; the treatment is not very definite in its conclusions, but it is at any rate a contrast in scientific carefulness of method to the jumble of the *Socialist Review*.)

IT is not necessary to spend time further on these simple questions of elementary scientific method, which make meaningless such generalisations as about the country being "now far more prosperous than it was in 1913" or attempts to prove or disprove the decline or find breaks in the decline on the strength of a few statistical tables of production and trade. More important than these elementary requirements of correctly analysing

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and placing the particular facts in relation to the total situation, is the necessity—the primary necessity which distinguishes the dialectical method from the rule-of-thumb empiricism of the "vulgar" economists of the bourgeois post-classical school—of correctly judging the *dynamic* forces of the situation. What are the driving forces of the situation? What is the *direction* of the main forces of the situation? What is the direction of the forces of the world situation, and what is the direction of movement of the British situation in relation to the world situation? It is necessary to see the line of development of capitalism as a whole, to see the place of the present stage in that line of development, to see the particular character of the present stage in Britain, to see the inter-relation of the forces of the class-struggle, of inter-imperialist rivalry, of the colonial revolutionary struggles, of Imperialism and the Soviet Union, &c., and only on this basis to reach correctly the British perspective. The alternative method, which begins with a table of twelve months production or the last five years production in Britain, leads nowhere.

IT is here, as a part of these dynamic factors, that arises the importance of the question of industrial reconstruction and rationalisation, and the rôle of the Labour Government in particular, in Britain. It is clear that, if a very far-reaching process of industrial reconstruction in equipment, technique and organisation has taken place in other leading capitalist countries, and especially the United States, Germany and France, and if a similar process meets with special obstacles in Britain, and is in consequence much more slowly, painfully and incompletely carried out; and if, parallel to this, we note a shifting to the disadvantage of Britain in its relative position in world production and the world market; than it is clear that we are here face to face, not with some temporary phenomenon, but with an essential expression of the process of decline, the effects of which are likely to increase rather than diminish in significance. This is the context within which the question of the economic rôle of the Labour Government becomes of special importance in the development of the capitalist decline in Britain.

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IN the previous analysis of the question of state-aided rationalisation in Britain, it was necessary to insist that the theoretical possibility of such a process, even on a considerable scale and with force to drive a way past many of the obstacles, should not be denied, in order that its consequences and the contradictions inherent in it could be freely considered, and that we should not, through a view of its improbability, base our calculations on the assumption of a single line of development. The experience since then has shown with very striking force that, while the whole line of policy is increasingly in the direction of a measure of state-aided rationalisation, as in the coal reorganisation proposals, the contradictions are proving very strong and intractable, and preventing more than an extremely incomplete measure of realisation. The possibility of a very much greater measure of state-aided rationalisation than at present, and the use of state credit for the purpose, should still not be excluded ; but it appears that it will need a stronger government than the present Labour Government to carry it out. A "war" type of government under Lloyd George, representing important industrialist forces, and carrying with it considerable sections of the petit-bourgeoisie and workers in a "forward" policy, might still conceivably make the experiment ; but this is not yet in view, and could only follow on a very extensive shifting of forces. For the present, the Labour Government, faced with the actual dilemmas, has manifestly developed cold feet, and has preferred the path of safety and decay to the path of risk and possible catastrophe. The forces of decline in Britain are showing their strength.

THE general obstacles in Britain to effective rationalisation on the same scale as elsewhere are sufficiently familiar. They are strikingly illustrated in a recent diatribe of the President of the Federation of Master Cotton Spinners' Associations against the whole conception, in an angry letter to *The Times* which had prescribed the usual panacea as an alternative or accompaniment to wage-reductions.

> The practical industrialists in the Lancashire cotton industry would be glad to be relieved of any further unhelpful interference from uninformed observers—whether as leader-writers, academic economists, business men in our sheltered and privileged industries,

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> or as financial experts, who, no matter how distinguished in their own sphere of activities, are unable to explore the whole range of our cotton problem. *More especially are we sated with the banging of the big drum of rationalisation.* Rationalisation rolls as glibly off the tongues of many advisers as nationalisation, and frequently it is as little attached to sound constructive thought. On the same page of *The Times*, column 6, appears providentially for my purpose an account of a vast nationalisation experiment. *Already in our experience of rationalisation in Lancashire we might apply the same captions* as apply in this Queensland instance—namely, "*A Utopia in Ruins—The Lancashire Failure—Waste of Millions.*" That briefly summarises our experience with the cartel—a rationalisation experiment—which we were compelled to abandon two years ago.—(F. Holroyd, President of the Federation of Master Cotton Spinners' Associations, *The Times*, July 18, 1929.)

THE special character of the problem of capitalist rationalisation and reconstruction in Britain is above all based on the fact that, whereas in other leading European countries which have carried through a large measure of reconstruction, notably Germany and France, this has been based on a semi-revolutionary repudiation of previous liabilities (the inflation period in Germany, devalorisation to one-fifth in France), in Britain the burden of liabilities has been increased, and any new development has to carry them. In consequence it has not been profitable for new capital to enter into and re-equip and reconstruct the old industries ; the line of advance has been ever-renewed attacks on the workers, and only on the basis of this has reorganisation slowly begun. It was obvious that, to accelerate the process, the State would have to intervene. This was the basic theme of the Lloyd George programme (though the concentration on roads and transport rather than industry weakened its effectiveness), as of many similar previously, *e.g.*, the Webb suggestion years ago, at the beginning of the depression, of a £200,000,000 National Development Loan. All such suggestions, however, have come into conflict with the demands of financial policy, *i.e.*, the necessity from the standpoint of the world financial interests of British capitalism to re-establish the pound at its pre-war value in relation to the dollar. For the purpose of this policy, it was necessary, not to extend credit, but to restrict it. Reconstruction has had to wait. To dramatise this as a battle between industrialists and City financiers is not fully

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correct ; the actual interests are too closely interwoven in the dominant sections of British finance-capital, nor can the interests be ultimately treated apart. But immediate home industrial interests have had to be sacrificed temporarily to wider purposes, and the balance to be righted by heavy attacks on the workers.

FACED with this situation, the reformist plans have been shipwrecked, and the Labour Government has found itself helpless to do other than follow in the path of Baldwin. Between the demands of Treasury policy on the one side, and the promises of unemployment schemes and social benefits on the other, the Labour Government finds itself driven from pillar to post, and under criticism on all sides. It so happened that at the very outset of the Labour Government the international financial situation made necessary a temporary rise in the Bank Rate ; the Government delayed its execution as long as possible ; their delay made no difference to the outcome save slightly to worsen the position. The issue of the recent long-term loan at 5 per cent. has already caused headshakings as an indication of a weakening of British credit ; and it is suggested that the effect of even the few millions credits of Thomas's schemes or the increased benefits is already reflected here. At the same time the adverse balance of trade to date (ten months) is £16 millions higher than in 1928. "While the City as a whole," declares *The Times* (November 20, 1929), "has not been displeased by the achievements of the Government so far, it remains frankly apprehensive of their policy in matters of finance. The Government has yet to prove itself in the world of finance." The Labour Government is being kept on a tight rein by its capitalist masters.

THE mingled indignation, rage, helplessness and ultimate docility of the reformist propagandists, when faced with the issue of the Bank Rate, has been an instructive picture in the posturing impotence of reformism, when faced with the practical issues of the capitalist machine which they wish to administer. "Mr. Montagu Norman puts Brake on Wheels of Trade" was the first announcement of the *Daily Herald* of the change which was carried out with the full support of the Labour

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Government. This was the first traditional reformist picture of the Governor of the Bank of England as the mysterious villain, chortling with malicious glee as he puts a new spoke into the wheels of British industry. A few days later this had to be corrected. "It is only fair to Mr. Montagu Norman and the other controllers of the Bank of England," explained the *Daily Herald* a week later, "to point out that, given the prevailing policy, there was little choice but to raise the Bank Rate." Then came the Brighton Labour Party Conference. The I.L.P. had loudly proclaimed their determination to fight the policy of the Treasury and the Bank of England. But Snowden only required to give them an elementary exposition of the commonplaces of capitalism for their opposition to collapse. *The Times* correctly estimated the value of a Labour Government to capitalism in commenting on the debate that it provided "an opportunity for making the principles of sound national finance acceptable to an assembly that would probably have been critical, if not suspicious, of a similar explanation had it been given by an economist outside the party or by the Governor of the Bank of England himself." The *Daily Herald* journalist, compelled for five minutes to consider the ordinary workings of capitalism, could only declare that "his words irresistibly conjured up a nightmare of a world in the grip of an inexorable fate—of a great financial system with laws of its own, against which man's feebleness was matched in vain." The transition from utopian nonsense and subjective dreams to headlong despair and impotence, when faced with objective facts, is a short one ; both are the complementary facets of the reformist outlook. But the dominant leadership of reformism, the leadership of the Labour Party, have long passed this stage (which belongs to the kindergarten of the Labour Party, the I.L.P.) ; they have long shed their illusions and assumed with full consciousness the responsibility of capitalist administration against the workers.

DRIVEN back on the basic fields of industry, finance and the unemployment crisis, the reformists seek to find their outlet in the cry for immediate social benefits. The frontal attack on industry is gone ; the cry for nationalisation and socialism has long disappeared from view ; even the state capitalism

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of " Labour and the Nation " has passed into the background. The cry is for a little charity from the rich man's purse. If Snowden was strong at The Hague, argued the *Forward*, and even won Chauvinist popularity, this strength and popularity will be useful to us, when he comes to be taxing the rich for the benefit of the poor next April. But even here there is a blank wall. The " strength " of Snowden is revealed as a strength to resist the demands of Labour M.P.'s, eager for concessions to parade before their constituents. In his speech at the Cutlers' Feast at Sheffield in October, Snowden assured his audience that he would make no increases of taxation against the rich if he could help it ; and if he should be driven to it, it would be from " sheer necessity," and not for any aims of social policy. Increases of benefit, save on the tiniest scale, cannot be afforded. The needs of capitalism must come first.

THE Labour Government has a different path which it must follow. Just as the Baldwin Government, it can only carry through reorganisation of industry at the workers' expense. Just as the Baldwin Government, it has to drive through wage-cuts with direct government assistance. The experience of the cotton award has been the powerful demonstration of this process ; and it will not be the last. Here can be seen the inevitable transition from social reformism to social fascism, from the old vacillation, to betray the workers, to the new firmness on behalf of capitalism. And to those who doubt the applicability of the term of " social fascism " to the present Labour Government, after their record already in the colonies, in imperialist foreign policy and to the workers at home, we would recommend the consideration of the approving words of the Hungarian White dictator, Admiral Horthy, who declared in a recent speech :—

> If from the ranks of our working class there could arise a Hungarian MacDonald, a Henderson or a Snowden, men of culture, knowledge, wide outlook and stable character, men at one with the nation in all our national interests and national sorrows, men filled with patriotic sentiment and determination, like these leaders of the English working class, then *one need have no qualms in letting such men take an active part in the government.*

R. P. D.

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THE CHARTIST MOVEMENT

By KARL MARX

[*The following article by Karl Marx, of particular interest on account of its description of the political parties of the time, was contributed to the "New York Tribune" of August 25, 1852. The original text was specially copied for the* LABOUR MONTHLY; *as far as we are aware it has not been published in this country before.*]

WHILE the Tories, the Whigs, the Peelites—in fact, all the parties we have hitherto commented upon—belong more or less to the past, the Free Traders (the men of the Manchester School, the Parliamentary and financial reformers) *are the official representatives of modern English society*, the representatives of that England which rules the market of the world. They represent the party of the self-conscious bourgeoisie, of industrial capital striving to make available its social power as a political power as well, and to eradicate the last arrogant remnants of feudal society. This party is led on by the most active and most energetic portion of the English bourgeoisie—the *manufacturers*.

What they demand is the complete and undisguised ascendancy of the bourgeoisie, the open, official subjection of society at large under the laws of modern bourgeois production, and under the rule of those men who are the directors of that production. By Free Trade they mean the unfettered movement of capital, freed from all political, national and religious shackles. The soil is to be a marketable commodity, and the exploitation of the soil is to be carried on according to the common commercial laws. There are to be manufactures of food as well as manufactures of twist and cottons, but no longer any lords of the land.

There are, in short, not to be tolerated any political or social restrictions, regulations or monopolies, unless they proceed from "the eternal laws of political economy," that is, from the conditions under which capital produces and distributes. The struggle of this party against the old English institutions, products of a

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superannuated, an evanescent stage of social development, is resumed in the watchword : *Produce as cheap as you can, and do away with all the* faux frais *of production* (with all superfluous, unnecessary expenses in production). And this watchword is addressed not only to the private individual, but to the *nation at large* principally.

Royalty, with its "barbarous splendours," its court, its Civil List and its flunkeys—what else does it belong to but to the *faux frais* of production ? The nation can produce and exchange without royalty ; away with the crown. The sinecures of the nobility, the House of Lords ? *faux frais* of production. The large standing army ? *faux frais* of production. The Colonies ? *faux frais* of production. The State church, with its riches, the spoils of plunder or of mendicity ? *faux frais* of production. Let parsons compete freely with each other, and everyone pay them according to his own wants. The whole circumstantial routine of English law, with its Court of Chancery ? *faux frais* of production. National wars ? *faux frais* of production. England can exploit foreign nations more cheaply while at peace with them.

You see, to these champions of the British bourgeoisie, to the men of the Manchester School, every institution of old England appears in the light of a piece of machinery as costly as it is useless, and which fulfils no other purpose but to prevent the nation from producing the greatest possible quantity at the least possible expense and to exchange its products in freedom. Necessarily their last word is the *bourgeois republic*, in which free competition rules supreme in all spheres of life ; in which there remains altogether that *minimum* only of government which is indispensable for the administration, internally and externally, of the common class-interest and business of the bourgeoisie, and where this *minimum* of government is as soberly, as economically, organised as possible. Such a party in other countries would be called *democratic*. But it is necessarily revolutionary, and the complete annihilation of Old England as an aristocratic country is the end which it follows up with more or less consciousness. Its nearest object, however, is the attainment of a Parliamentary reform which should transfer to its hands the legislative power necessary for such a revolution.

But the British bourgeois are not excitable Frenchmen. When

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they intend to carry a Parliamentary reform they will not make a Revolution of February. On the contrary. Having obtained, in 1846, a grand victory over the landed aristocracy by the repeal of the Corn Laws, they were satisfied with following up the material advantages of this victory, while they neglected to draw the necessary political and economical conclusions from it, and thus enabled the Whigs to reinstate themselves into their hereditary monopoly of government.

During all the time from 1846 to 1852, they exposed themselves to ridicule by their battle-cry—broad principles and practical (read *small*) measures. And why all this? Because in every violent movement they are obliged to appeal to the *working class*. And if the aristocracy is their vanishing opponent, the working class is their arising enemy. They prefer to compromise with their vanishing opponent rather than to strengthen the arising enemy, to whom the future belongs, by concessions of more than apparent importance. Therefore, they strive to avoid every forcible collision with the aristocracy; but historical necessity and the Tories press them onwards. They cannot avoid fulfilling their mission, battering to pieces Old England, the England of the past, and the very moment when they will have conquered exclusive political dominion, when political dominion and economical supremacy will be united in the same hands, when, therefore, the struggle against capital will no longer be distinct from the struggle against the existing government—from that very moment will date the *social revolution of England*.

We now come to the *Chartists*, the politically active portion of the British *working class*. The six points of the Charter which they contend for contain nothing but the demand of *universal suffrage* and of the conditions without which universal suffrage would be illusory for the working class: such as the ballot, payment of members, annual general elections. But universal suffrage is the equivalent for political power for the working class of England, where the proletariat form the large majority of the population, where, in a long, though underground civil war, it has gained a clear consciousness of its position as a class, and where even the rural districts know no longer any peasants, but landlords, industrial capitalists (farmers) and hired labourers. The carrying

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of universal suffrage in England would, therefore, be a far more socialistic measure than anything which has been honoured with that name on the Continent.

Its inevitable result here, is *the political supremacy of the working class.*

I shall report, on another occasion, on the revival and reorganisation of the Chartist Party. For the present I have only to treat of the recent election.

To be a voter for the British Parliament, a man must occupy, in the Boroughs, a house rated at £10 to the poor's rate, and, in the counties he must be a freeholder to the annual amount of 40 shillings or a leaseholder to the amount of £50. From this statement alone it follows that the Chartists could take, officially, but little part in the electoral battle just concluded. In order to explain the actual part they took in it, I must recall to mind a peculiarity of the British electoral system : Nomination day and Declaration day ! Show of hands and Poll !

When the candidates have made their appearance on the day of election, and have publicly harangued the people, they are elected, in the first instance, by the show of hands, and every hand has the right to be raised, the hand of the non-elector as well as that of the elector. For whomsoever the majority of the hands are raised, that person is declared by the returning officer to be (provisionally) elected by show of hands. But now the medal shows its reverse.

The election by show of hands was a mere ceremony, an act of formal politeness toward the " sovereign people," and the politeness ceases as soon as privilege is menaced. For if the show of hands does not return the candidates of the privileged electors, these candidates demand a poll ; only the privileged electors can take part in the poll, and whosoever has there the majority of votes is declared duly elected. The first election, by show of hands, is a show satisfaction allowed, for a moment, to public opinion, in order to convince it, the next moment, the more strikingly of its impotency.

It might appear that this election by show of hands, this dangerous formality, had been invented in order to ridicule universal suffrage, and to enjoy some little aristocratic fun at the expense of the " rabble " (expression of Major Beresford, Secretary

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of War). But this would be a delusion, and the old usage, common originally to all Teutonic nations, could drag itself traditionally down to the nineteenth century, because it gave to the British class-Parliament, cheaply and without danger, an appearance of popularity.

The ruling classes drew from this usage the satisfaction that the mass of the people took part, with more or less passion, in their sectional interests as its national interests. And it was only since the bourgeoisie took an independent station at the side of the two official parties, the Whigs and the Tories, that the working masses stood up, on the nomination days in their own name. But in no former year has the contrast of show of hands and poll, of Nomination day and Declaration day, been so serious, so well-defined by opposed principles, so threatening, so general, upon the whole surface of the country as in this last election of 1852.

And what a contrast ! It was sufficient to be named by show of hands in order to be beaten at the poll. It was sufficient to have had the majority at a poll, in order to be saluted, by the people, with rotten apples and brick-bats.

The duly elected members of Parliament, before all, had a great deal to do, in order to keep their own parliamentary bodily-selves in safety. On one side the majority of the people, on the other the twelfth-part of the whole population, and the fifth-part of the sum total of the male adult inhabitants of the country. On one side enthusiasm, on the other side bribery. On one side parties disowning their own distinctive signs, Liberals pleading the conservatism, Conservatives proclaiming the liberalism of their views ; on the other, the people, proclaiming their presence and pleading their own cause. On one side a worn-out engine which, turning incessantly in its vicious circle, is never able to move a single step forward, and the impotent process of friction by which all the official parties gradually grind each other into dust ; on the other, the advancing mass of the nation, threatening to blow up the vicious circle and to destroy the official engine.

I shall not follow up, over all the surface of the country, this contrast between nomination and poll, of the threatening electoral demonstration of the working class, and the timid electioneering manœvures of the ruling classes. I take one borough from the mass,

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where the contrast is concentrated in a focus: the Halifax Election. Here the opposing candidates were: Edwards (Tory), Sir Charles Wood (late Whig Chancellor of the Exchequer, brother-in-law to Earl Grey), Frank Crossley (Manchester man), and finally Ernest Jones, the most talented, consistent and energetic representative of Chartism.

Halifax being a manufacturing town, the Tory had little chance. The Manchester man, Crossley, was leagued with the Whigs. The serious struggle, then, lay only between Wood and Jones, between the Whig and the Chartist.

Sir Charles Wood made a speech about half-an-hour, perfectly inaudible at the commencement, and during its latter half, to the disapprobation of the immense multitude. His speech, as reported by the reporter, who sat close to him, was merely a recapitulation of the Free Trade measures passed, and an attack on Lord Derby's government, and a laudation of "*the unexampled prosperity of the country and the people*"! ("Hear, hear.") He did not propound one single new measure of reform, and but faintly, in very few words, hinted at Lord John Russell's bill for the franchise.

I give a more extensive abstract of Ernest Jones's speech, as you will not find it in any of the great London ruling-class papers.

Ernest Jones, who was received with immense enthusiasm, then spoke as follows:—

"Electors and non-electors, you have met upon a great and solemn festival. To-day the Constitution recognises universal suffrage in theory that it may, perhaps, deny it in practice on the morrow. To-day the representatives of two systems stand before you, and you have to decide beneath which you shall be ruled for seven years. Seven years—a little life! I summon you to pause upon the threshold of those seven years; to-day they shall pass slowly and calmly in review before you; to-day decide, you 20,000 men! that perhaps five hundred may undo your will to-morrow. ("Hear, hear.")

"I say the representatives of two systems stand before you. Whig, Tory and moneymongers are on my left, it is true, but they are all as one. The moneymonger says, buy cheap and sell dear. The Tory says, buy dear, sell dearer. Both are the same for labour.

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But the former system is in the ascendant, and pauperism rankles at its root. That system is based on foreign competition. Now, I assert, that under the buy cheap and sell dear principle, brought to bear on foreign competition, the ruin of the working and small trading classes must go on. Why? Labour is the creator of all wealth. A man must work before a grain is grown, or a yard is woven. But there is no self-employment for the working man in this country. Labour is a hired commodity—labour is a thing in the market that is bought and sold; consequently, as labour creates all wealth, labour is the first thing bought—'Buy cheap, buy cheap!' Labour is bought in the cheapest market. But now comes the next: 'Sell dear, sell dear!' Sell what? *Labour's produce.* To whom?—to the foreigner—aye! and to the *labourer himself*—for labour, not being self-employed, the labourer is NOT the partaker of the first-fruits of his toil.

"'Buy cheap, sell dear.' How do you like it? 'Buy cheap, sell dear.' Buy the working man's labour cheaply and sell back to that very working man the produce of his own labour dear! The principle of inherent loss is in the bargain. The employer buys the labour cheap—he sells, and on the sale he must make a profit; he sells to the working man himself—and thus every bargain between employer and the employed is a deliberate cheat on the part of the employer. Thus labour has to sink through eternal loss, that capital may rise through lasting fraud.

"But the system stops not here. *This is brought to bear on foreign competition—which means, we must ruin the trade of other countries, as we have ruined the labour of our own.* How does it work? The high-taxed country has to undersell the low-taxed. Competition abroad is constantly increasing—consequently cheapness must increase constantly also. Therefore, wages in England must keep constantly falling. And how do they effect the fall? By *surplus labour.* And how do they obtain the surplus labour? By monopoly of the land which drives more hands than are wanted into the factory. By monopoly of machinery which drives those hands into the street—by woman labour which drives the man from the shuttle—by child labour which drives the women from the loom. Then planting their foot upon that living base of surplus they press its aching heart beneath their heel and cry—'Starvation.

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Who will work ? A half-loaf is better than no bread at all '—and the writhing mass grasps greedily at their terms. (Loud cries of "Hear, hear.")

"Such is the system for the working man. But, electors ! how does it operate on you ? How does it affect home trade, the shopkeeper, poor's rate and taxation ? For every increase of competition abroad, there must be an increase of cheapness at home. Every increase of cheapness in labour is based on increase of labour surplus, and this surplus is obtained by an increase of machinery. I repeat, how does this operate on you ? The Manchester Liberal on my left establishes a new patent and throws three hundred men as a surplus in the streets. Shopkeepers ! Three hundred customers less. Ratepayers ! Three hundred paupers more ! (Loud cheers.)

"But, mark me. The evil stops not there. These three hundred men operate first to bring down the wages of those who remain at work in their own trade. The employer says : 'Now I reduce your wages.' The men demur. Then he adds : 'Do you see these three hundred men who have just walked out—*you may change places if you like*, they are sighing to come in on any terms, for they are starving.' The men feel it, and are crushed. Oh ! you Manchester Liberal ! Pharisee of politics ! Those men are listening—have I got you now ?

"But the evil stops not yet. Those men, driven from their own trade, seek employment in others when they swell the surplus and bring wages down. The low-paid trades of to-day were the high-paid once—and the high-paid of to-day will be the low-paid soon. Thus the purchasing power of the working classes is diminished every day, and with it dies home trade. Mark it, shopkeepers, your customers grow poorer and your profits less, while your paupers grow more numerous and your poor's rates and your taxes rise. Your receipts are smaller, your expenditure is more large. You get less and pay more. How do you like the system ? On you the rich manufacturer and landlord throws the weight of poor's rate and taxation. Men of the middle class ! You are the tax-paying machine of the rich. They create the poverty that creates their riches, and they make you pay for the poverty they have created. The landlord escapes it by privilege, the manu-

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facturer by repaying himself out of the wages of his men, and that reacts on you. How do you like the system ?

"Well, that is the system upheld by the gentlemen on my left. What then do I propose ? I have shown the wrong. That is something. But I do more. I stand here to show the right, and prove it so." (Loud cheers.)

Ernest Jones then went on to expose his own views on political and economical reform, and continued as follows :—

" Electors and non-electors ! I have now brought before you some of the social and political measures, the immediate adoption of which I advocate now, as I did in 1847. But, because I tried to extend YOUR liberties, MINE were curtailed. ('Hear, hear.') Because I tried to rear the temple of freedom for you all, I was thrown into the cell of a felon's jail; and there, on my left, sits one of my chief jailers. (Loud and continued groans, directed towards the left.) Because I tried to give voice to truth, I was condemned to silence. For two years and one week he cast me into a prison in solitary confinement on the silent system, without pen, ink or paper, but oakum picking as a substitute. Ah ! (turning to Sir Charles Wood), it was your turn for two years and one week ; it is mine this day. I summon the angel of retribution from the heart of every Englishman here present. (An immense burst of applause.) Hark ! You feel the fanning of his wings in the breath of this vast multitude. (Renewed cheering, long continued.) You may say this is not a public question. But it is. ("Hear, hear.") It is a public question, for the man who cannot feel for the wife of the prisoner, will not feel for the wife of the working man. He who will not feel for the children of the captive, will not feel for the children of the labour-slave. (" Hear, hear," and cheers.) His past life proves it, his promise of to-day does not contradict it. Who voted for Irish coercion, the gagging bill and tampering with the Irish Press ? The Whig—there he sits ; turn him out ! Who voted fifteen times against Hume's motion for the franchise ; Locke King's on the counties ; Ewart's for short Parliaments ; and Berkeley's for the ballot ? The Whig—there he sits ; turn him out ! Who voted against the release of Frost, Williams and Jones ? The Whig—there he sits ; turn him out ! Who voted against reducing the Duke of Cambridge's salary of £12,000, against all

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reductions in the army and navy ; against the repeal of the window-tax, and forty-eight times against every other reduction of taxation, his own salary included ? The Whig—there he sits ; turn him out ! Who voted against the repeal of the paper duty, the advertisement duty, and the taxes on knowledge ? The Whig—there he sits ; turn him out ! Who voted for the batches of new bishops, vicar rare, the Maynooth grant, against its reduction and against absolving dissenters from paying Church rates? The Whig—there he sits ; turn him out ! Who voted against all inquiry into the adulteration of food ? The Whig—there he sits ; turn him out! Who voted against lowering the duty on sugar, and repealing the tax on malt ? The Whig—there he sits ; turn him out ! Who voted against shortening the nightwork of bakers, against inquiry into the condition of frame-work knitters, against medical inspectors of workhouses, against preventing little children from working before six in the morning, against parish relief for pregnant women of the poor and against the Ten Hours Bill ? The Whig—there he sits ; turn him out ! Turn him out in the name of humanity and of God ! Men of Halifax ! Men of England ! The two systems are before you. Now judge and choose ! "

It is impossible to describe the enthusiasm kindled by this speech, and especially at the close ; the voice of the vast multitude, held in breathless suspense during each paragraph, came at each pause like the thunder of a returning wave, in execration of the representative of Whiggery and class-rule. Altogether it was a scene that will long be unforgotten. On the show of hands being taken, very few and those chiefly of the hired or intimidated, were held up for Sir C. Wood ; but almost everyone present raised both hands for Ernest Jones, amidst cheering and enthusiasm it would be impossible to describe.

The Mayor declared Mr. Ernest Jones and Mr. Henry Edwards to be elected by show of hands. Sir. C. Wood and Mr. Crossley then demanded a poll.

What Jones had predicted took place ; he was nominated by 20,000 votes ; but the Whig (Sir Charles Wood) and the Manchester man (Crossley) were elected by 500 votes.

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UNEMPLOYMENT AND THE LABOUR GOVERNMENT

By WAL HANNINGTON

WE have now entered the ninth winter of continuous unemployment and the problem again occupies the centre of the political stage. To allay the increased restlessness and agitation of the unemployed which usually marks the approach of winter, extensive publicity is again being given to national and local "schemes for providing employment." During the period of the Baldwin Government, the National Labour Party and the T.U.C. General Council set themselves out to create the impression that the only hope for the unemployed lay in the return of a Labour Government. They tried to smash every militant move of the unemployed on the plea that such struggles and agitations would be in vain; that in the ballot box alone lay the means of salvation!

Masses of the unemployed took no heed of such cowardly and treacherous pleadings, as was proved repeatedly by the agitations of the National Unemployed Workers' Movement and particularly the great hunger marches, but it is also true that a considerable proportion of the unemployed were deceived by this propaganda, and lost faith in their own organised power.

The General Election came with the problem of unemployment as the main issue. In the last few days of the Tory Government, the Labour Party arraigned the Tories in the House of Commons on their failure to tackle the problem, and Mr. J. R. Clynes accused Sir A. Steel-Maitland, the Tory Minister of Labour, of persecuting the unemployed with mass disqualification from benefits under the "not genuinely seeking work" clause. The shot was actually a boomerang, for Sir A. Steel-Maitland was able to point out that the "not genuinely seeking work" clause was the work of the 1924 Labour Government, and that the records in his Ministry showed that the percentage of disqualification of claims was actually higher under the 1924 Labour Government than it had been under the Tory Government.

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The Labour Party were somewhat alarmed at this exposure just prior to the General Election, and tried to cover it up by a mean half-truth, to the effect that the "not genuinely seeking work" clause was in the Unemployment Insurance Act prior to 1924, but what they did not point out was, that prior to 1924 the "not genuinely seeking work" clause only applied to claimants on what was known as "extended benefit" and that a person on "standard benefit" could not be disqualified under this condition unless he refused a definite offer of suitable employment by the Labour Exchange. The 1924 Labour Government made the condition applicable to every claimant and thereby commenced the mass disqualifications under the "not genuinely seeking work" clause.

In spite of this the Labour Party candidates in the General Election spent considerable time in denouncing the Tory Government on its failure to grapple with the problem of unemployment, and on its brutal administration of the unemployment insurance scheme. They certainly did succeed in creating a wide impression that a Labour Government would at least be capable of considerably reducing the number of unemployed, that the administrative injustices of the Insurance Scheme would be removed and the conditions of the unemployed substantially improved. Many unemployed have been learning bitter lessons by experience since then.

Now let us take a general review of the unemployment problem and the issues that have arisen around it during the past six months.

The first step taken by Ramsay MacDonald to assure the ruling class that the treatment of the unemployed was just as safe in the hands of a Labour Government as it had been with the Tories, was the appointment of Margaret Bondfield—of Blanesburgh fame—as the Minister of Labour, and the rabid patriot, Empire builder and esteemed and treasured friend of the employers, J. H. Thomas, as "Minister for Employment" with an extra "dole" allowance of £3,000 a year.

From the moment that J. H. Thomas took up this post the Labour Party commenced an intense propaganda, designed to create the impression that the Labour Government without delay was effectively tackling the problem and reducing the number of workless. The official figures, however, show that month by month the number of unemployed has increased under the Labour

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Government, and on November 18, 1929, the registered unemployed stood at 1,273,500, as against 1,127,895 on June 24, 1929. Whilst it may be true that a large proportion of this increase is due to the closing down of what is termed "seasonal trade," we must not overlook the fact that Rationalisation effects are a contributory factor. With the aid and direction of the Labour Government, Rationalisation will be accelerated and the problem of unemployment will most likely become much more acute than it has ever been before in this country.

When we are considering the extent of unemployment in Britain to-day, we must keep in mind the fact that the figures of the registered unemployed issued by the Ministry of Labour constitute only a section of the total army of unemployed. There are, in fact, three main armies of unemployed: (1) Those registered at Labour Exchanges; (2) Those receiving Poor Law Relief; (3) Those who are neither receiving Labour Exchange benefit nor Poor Law Relief.

The first army as we have seen stands at 1,273,500. The second army is shown up in the figures issued by the Ministry of Health. This section of unemployed is to-day almost entirely separate from those receiving Labour Exchange benefit. Only in a relatively small number of cases is it possible to find persons in receipt of Labour Exchange benefit receiving supplementary assistance in the form of Poor Law Relief.

The figures concerning Poor Law Relief are not so frequently issued as those in respect of the registered unemployed, but here are the latest returns issued by the Ministry of Health in Whitehall, which covers England and Wales, and the Scottish Board of Health which covers Scotland. The returns for England and Wales are for August, 1929, and for Scotland June, 1929. It is most probable that the figures are even higher to-day.

Out-Door Relief

England and Wales.—824,200 made up of 189,400 men, 634,800 women and children. (These figures do not include 10,900 persons receiving medical Poor Law Relief in their homes.)

Scotland.—175,710 (we have no figures available at the moment giving the composition of this total). Total for England, Wales and Scotland receiving outdoor relief 999,910.

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Indoor Relief

(This refers to persons in the workhouses and we have no figures available in this respect for Scotland.)

England and Wales.—211,300 (not including lunatics and casuals).

The total recipients of Poor Law Relief (indoor and outdoor) in England and Wales alone is therefore 1,035,500. If we add those receiving outdoor relief in Scotland we have a total of 1,211,210.

It is true that all these persons are not receiving relief due directly to unemployment, but the Ministry of Health estimates approximately 420,000 (including dependents) in England and Wales alone as the unemployed class of Poor Law recipients. I think we should find on careful investigation that the number is even higher, and that many of those classified as recipients "due to other causes" could be proved to be recipients due to unemployment.

I believe that on a low estimate we could say that the total recipients of Poor Law Relief in England, Scotland and Wales, apart from dependents, number a quarter of a million due to unemployment.

Now concerning the third army—those not receiving Insurance Benefit or Poor Law Relief. Here it is difficult to give any definite figures because there is no Government department that attempts to record them. But we know that this third army is very large to-day, because of the persistent tightening-up policy that has been operated during the past two years at Labour Exchanges and Boards of Guardians, resulting in hundreds of thousands being denied benefit and relief.

Since the operation of the Blanesburgh Unemployment Act in April, 1928, the disqualification of benefit claims by local Insurance officers on the grounds of "not genuinely seeking work" alone amounts to a monthly average of 22,000. The total disqualification on all grounds by Insurance officers averages 50,000 monthly during the last eighteen months. How many of these have been able to get back on benefit again or secure employment we do not know.

In respect to the administration of Poor Law Relief the same process of wholesale disqualification has been going on. It is now the rule for Boards of Guardians and Parish Councils in Scotland

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to refuse relief to all able-bodied single persons, and under pressure from the Ministry of Health it is becoming more and more the practice also to refuse relief to able-bodied married men. For instance, in the Rhondda Valley and surrounding districts covered by the Pontypridd Board of Guardians (Labour majority), no able-bodied men, married or single, are granted outdoor relief. Only the women and children are relieved. These men cannot even get indoor relief, because the workhouses are already full. The number of casuals alone, wandering from town to town and seeking shelter in the casual wards, stands at approximately 8,000, but there are many more who avoid the casual wards.

The estimated wage-earning population of Great Britain is about 18 millions. Out of this total only 12 millions are covered by the Unemployment Insurance Scheme. Many thousands become unemployed who therefore have no necessity to register at Labour Exchanges, and who struggle through periods of unemployment without seeking Poor Law Relief. We must also reckon with a large number of unemployed youths between the ages of fourteen and sixteen, who are not yet covered by the Insurance Scheme, and who would not be receiving Poor Law Relief. The number of persons over sixty-five years of age who ceased to be registered as insured persons since the operation of the Widows', Orphans' and Old Age Contributory Pensions Act stood at 323,000 men and 24,000 women. The number who were registered as unemployed at the time when this Act commenced was approximately 30,000.

I find it extremely difficult to estimate the extent of the third army of unemployed, but I feel safe in declaring that it is in the neighbourhood of half a million.

On these estimates, therefore, we get a total of two million persons, apart from dependents, directly unemployed in Great Britain to-day.

Now let us turn to the administration of the Unemployment Insurance Scheme under the Labour Government.

The persecution of the unemployed at Labour Exchanges has been greater under the Labour Government than it was even under the Tory Government for the corresponding period as the following figures concerning disqualification of claims for benefit show.

Let us take the totals for the four months of June, July, August

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and September, 1929, under the Labour Government, and compare them with the corresponding period of last year under the Tories. We will go through each stage of the administrative machinery.

LOCAL INSURANCE OFFICERS

Total disqualification of claims

Tory Government	*Labour Government*
For the four months ending September 10, 1928 : 171,873.	For the four months ending September 9, 1929 : 255,993.

Increase : 84,120

Out of these totals the "not genuinely seeking work" disqualifications were 58,185 under the Tories, 79,526 under the Labour Government. An increase of 21,341.

COURTS OF REFEREES

Appeals disallowed

Tory Government	*Labour Government*
For the four months ending September 10, 1928 : 45,376	For the four months ending September 9, 1929 : 62,142

Increase : 17,036

In respect of these figures we must point out that the Tory Government did not commence issuing separate figures until October, 1928, concerning disallowances by Courts of Referees on what are known as "78-day review cases." Therefore we have given the total disallowances by the Courts of Referees under the two Governments. Included in the disallowances under the Labour Government are 19,447 classified as 78-day review cases. All of these cases were disqualified on the grounds of "not genuinely seeking work" except 74. The comparison of treatment of 78-day review cases over the whole period from the commencement of these reviews in September, 1928, shows that the percentage of review cases disallowed has been 4.25 per cent. under the Tories, and 5.76 per cent. under the Labour Government.

UMPIRE APPEALS

Tory Government		*Labour Government*	
For the four months ending September 10, 1928		For the four months ending September 9, 1929	
Total allowances ..	696	Total allowances ..	871
Total disallowances ..	1,204	Total disallowances ..	1,925
Percentages of disallowances	63.3	Percentage of disallowances	68.1

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Now let us turn to the most recent situation, concerning Boards of Assessors. These local Boards of Assessors were only appointed by Margaret Bondfield after a great outcry from all parts of the country led by the N.U.W.M. against her vicious administration. In answer to the demand for the abolition of the "N.G.S.W." clause she replied by saying that she intended to remedy the position by instituting local Boards of Assessors that would hear appeals on "N.G.S.W." disqualifications and the Transitional conditions instead of going direct to Courts of Referees. The Boards of Assessors commenced operations on September 10, 1929, and the following are the latest figures obtainable covering the first four weeks ending October 7, 1929 :—

BOARDS OF ASSESSORS

Total cases considered	26,360
Recommended for Disallowance	11,301
Recommended for Allowance	14,865
Assessors disagree	194

We have proof from all parts of the country showing that in practically all cases the decision of the Board of Assessors is upheld if an appeal is made to the Court of Referees. The Courts of Referees are working on the principle that if a case is disallowed by a Board of Assessors who are supposed to be more acquainted with the local conditions, then there is no case for appeal. We see, then, that the Assessors are merely clearing houses for the Courts of Referees.

For the month ending October 7, the disallowances by Courts of Referees was 17,315 as against 14,862 for the previous month. So it is clear that the persecution has not been reduced since the Assessors commenced, but has actually increased.

Task Work

Now let us turn to another field of persecution which comes under the Ministry of Health. Under the Labour Government and the direct instructions of Mr. Arthur Greenwood, Minister of Health, the pernicious system of task and test work has been extended. This is a system whereby the recipient of out-door relief is compelled to work on local schemes of employment run by the Board of Guardians in return for the amount of relief granted, frequently merely a food ticket. The principal objections to such

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methods of employment must be obvious to the reader and need no emphasising here. Such work is actually increasing in all parts of the country under the Labour Government on the instructions of the Minister of Health, and Boards of Guardians that are desirous of abolishing this form of work are being threatened and bullied into continuing by the Minister.

Let us take a few cases out of many that can be quoted.

In August the Greenwich Board of Guardians passed a resolution to abolish task work; they forwarded a copy to the Minister of Health and he promptly informed them that they must rescind that resolution and continue the task work.

The Romford Board of Guardians received a letter in September from the Labour Minister of Health complaining of the number of able-bodied men in receipt of Poor Law Relief in Romford, and asking for a full report with particulars of the arrangements the Guardians have for imposing a work test as a condition for the receipt of relief.

The Dewsbury Guardians received instructions from the Minister of Health insisting that task work must be imposed and that no departure from that regulation would be permitted. It further laid down that the Ministry could not approve the practice of the hours of work being proportionate to the amount of relief granted as was proposed by the Dewsbury Board of Guardians. The letter insisted that the recipients of relief must be kept in full employment irrespective of the amount of relief paid.

In the discussion that took place at the Guardians' meeting it was pointed out that already in Dewsbury men were working on this task work thirty-two hours for 10s.

On November 5, the Gateshead Board of Guardians discussed a letter received from the Minister of Health in which he insisted that task work must be started, and declaring that he considered it desirable that an adequate labour test should be required as a condition of the grant of out-door relief to able-bodied men, and that he would withhold approval of such relief unless it was made clear to him that at least discrimination had been used, and that there were special circumstances to justify such exceptional treatment.

The Sheffield Board of Guardians received a letter from the

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Minister demanding a reduction in the scales of relief on the grounds that they were paying a higher scale than the benefit scale at Labour Exchanges.

Relief Debts

During the 1926 Miners' Lockout big debts by the receipt of Poor Law Relief were incurred by the miners and their families. Since then the local Boards of Guardians have been endeavouring to recover these amounts by weekly payments from the wages of the miners. The wages are so low, however, that the guardians have found extreme difficulty in getting repayments on these debts, in spite of a number of police prosecutions that have been made in an effort to recover these amounts.

The result is that many Boards of Guardians are desirous of liquidating the remaining debts and making no further effort to force repayment. They seemed to have the impression that this line would be permitted under a Labour Government, but what do we find ?

The Swansea Board of Guardians applied to the Ministry of Health for permission to cancel their relief debt of £210,000; Ministry refused to permit any cancellation whatever.

The Whitehaven Guardians passed a resolution to liquidate their debt of £51,000 and immediately the Labour Minister of Health heard of this, he threatened to surcharge the Guardians and compelled them to rescind their resolution. The Board argued that it was impossible for the miners to repay these debts out of their present low wages, but such arguments on behalf of the workers did not have the slightest effect upon the Labour Government.

The Mansfield Guardians asked permission to cancel out the debt of £110,000 and were threatened with a surcharge if they dared to do so. These are a few examples from many that can be quoted from all parts of the country. We see an arrogant Shylock attitude being displayed also in respect to money borrowed by Boards of Guardians from the Ministry of Health in 1926 to enable the Guardians to meet the demands for relief.

The Pontefract Board of Guardians are owing the Ministry of Health £16,000 which they borrowed for relief during the 1926 lockout. The total borrowed was £180,000, and the sum of £164,000 had already been paid back. In respect to the remaining

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£16,000 they sent a deputation to the Minister of Health during the second week in October to ask for an extension of time for the repayment of this, which was due to be cleared off by March, 1930. Arthur Greenwood refused point-blank their request for any extension of time and the Chairman of the Deputation, in reporting back to the Boards of Guardians, declared : "The Minister of Health, Arthur Greenwood, was as inaccessible as, and no more sympathetic than, his predecessor, Mr. Neville Chamberlain."

Conclusion

I have given sufficient evidence to show the character of this Labour Government in relation to the unemployed. There are many other important matters concerning unemployment that I should have liked to deal with, but space prevents me doing so on this occasion. The question of the new Unemployment Insurance Act must be the subject for a special article later.

By the agitation and work of the N.U.W.M. and by bitter experience the masses of the unemployed are having the Labour Government revealed to them in its true capitalist rôle. The recent district agitations and demonstrations of the N.U.W.M. are indicating the rising discontent and disillusionment of the unemployed, and when the storm breaks the Labour Government will be shaken to its foundations by the great army of hungry workless.

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THE ROLE AND LEADERSHIP OF THE INDIAN WORKING CLASS

By CLEMENS DUTT

THE events of the past year in India leave no ground for uncertainty as to the advance of the revolutionary tide there. They fully confirm the estimate of a year ago that a new period of advance was opening out, the distinctive character of which consisted in the leading rôle played by the Indian proletariat. Since then a good deal has happened. The strike wave has continued and developed, assuming an increasing political importance. British imperialism, acting through the Labour Government, has adopted the most ferocious measures of repression directed primarily against the mass movement. The nationalist movement has passed through a rapid process of evolution and differentiation, exposing the make-believe and treachery of the Indian bourgeoisie including even the so-called "extremist" leaders, and greatly accelerating the anti-imperialist and revolutionary understanding of the Indian masses.

It would, however, be erroneous to suggest that the Indian proletariat has already established in fact its leadership of the revolutionary forces. The noteworthy feature of the present situation is that events have clearly demonstrated that without such leadership the struggle against imperialism and exploitation cannot be carried on, but that the Indian working class is not yet sufficiently strongly organised and class conscious for it to assume fully its historic rôle of leadership in the Indian revolution. The peasant masses and the revolutionary rank and file of the organised nationalist movement are moving towards participation in mass struggle, but unless the Indian working class can establish not only political ascendency over them, but also clear organisational forms through which that ascendency can be expressed, the danger of

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surrender to the influence of the Indian bourgeoisie will always be present. This is the fundamental problem of the present period.

The Advance of the Proletariat

The continued attacks against the workers, the process of introducing rationalisation in Indian industry going forward mainly at their expense, and the developed methods of persecution and terrorism set in operation by the employers and the Government, have contributed very largely to the consolidation and education of the Indian working class. In the strike movement a great advance over 1928 is observable in the more militant and resolute attitude of the strikers, the great intensity of class feeling among them, the extension of the organisation of workers' committees and factory councils, the vastly heightened political significance of the strike struggles and the general spreading of an understanding of the class struggle.

The struggle of the Bombay textile workers is typical of the advance that has taken place. The opposition they have had to encounter is incomparably greater than last year. First came the attempt in February to drown their struggle in the blood bath of the communal riots. Then came the arrest of all the chief leaders in the Meerut case. There followed at once the Fawcett textile report in favour of the employers which immediately stimulated the process that had already begun of victimisation and further attacks on wages and conditions. In spite of all this, the general strike called in April met with a unanimous response from the workers. The strike was met with the use of armed police and troops, the curfew order, prohibition of meetings, extensive importation of blacklegs and the passing of the Intimidation Act to prevent picketing. The reformist union appeared in the full rôle of a blackleg union and attempts were also made to sabotage the strike by the setting up of a so-called "blue" union by the employers directly and by the formation of a "green" Mohammedan union on a religious basis. The Bombay nationalists also came out in direct opposition to the strike and the Bombay Congress organisation voted money and means for open propaganda against the strike. Yet in the face of all this the strike went on; the workers departed for their village homes in large numbers and their places were

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gradually filled by new men. Finally, in the middle of September, the Girni Kamgar union was compelled to call off the strike without making conditions.

Only a few of the factors in the campaign against the textile workers have been mentioned above. The Girni Kamgar Union, the mass union of the textile workers with its Red Flag badge, aroused such rage and fury among the capitalists and British imperialists not so much on account of the strike, but because it gave a lesson to the whole Indian working class by practical experience of the meaning of class consciousness and militant struggle. The campaign against the "communist menace" has been a key-note of imperialist propaganda during the year. The report of the Riots Inquiry Committee set up to investigate the causes of the February communal riots and the report of the Textile Strike Inquiry Committee (consisting of three capitalist lawyers), appointed by the Government in July under the new Trade Disputes Act, are both made to serve as a means of attacking communism and the Girni Kamgar Union.

The Riots Committee examined eighty witnesses. According to the Press reports of the evidence, very few of them said that communist propaganda had anything to do with the riots and a number of prominent Indian public men emphatically denied that there was any connection. Nevertheless, the European Association made a strong statement declaring that the riots had their origin in the teaching of communist doctrines by labour leaders, that the Girni Kamgar union was a communist union responsible for the rapid progress of communism in Bombay and that special measures should be taken against it. It is noticeable that the Report of the Committee does not print any of the written statements or oral evidence but gives their verdict exactly on the lines of what was said by the European Association. Their first and primary recommendation is: "(1) *Government should take drastic action against the activities of the communists in Bombay.*" The following quotations are interesting evidence of the nature of the report.

> It is admitted before us by the Treasurer of the Union that some of the leaders of the Union are communists, but a distinction is sought to be drawn between the policy of the individual leaders and that of the Union. This is a distinction without a difference. . . . The very fact that the Union is known as the Red Flag Union, and

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that its symbols are a hammer and sickle, shows that it is a communist organisation.

We are of opinion that, in addition to action under the Intimidation Act, strict action should be taken when necessary against communist agitators under the Indian Penal Code and the Code of Criminal Procedure. We are also of opinion that it should be considered whether section 22 of the Trade Union Act should not be amended so as to exclude communists from the management of any registered trade union.

The Attack on the Girni Kamgar Union

The Report of the Court of Inquiry into the 1929 textile strike carries the attack against the Girni Kamgar Union a good deal further. This report does not deal with general allegations of "communism" but concerns itself directly with the actual structure, administration and policy of the union. One of the biggest problems with which British imperialism is confronted in dealing with the growing revolutionary wave in India is that of preventing trade union organisation from entering the path of militant class struggle. The growth of the Girni Kamgar Union, which is being taken as a model by other left-wing unions in India, has been sufficient to prove to the imperialists that it is necessary for them to take drastic action in order to mutilate and mould Indian trade union organisation into an exact copy of the reformist type developed in Britain by long years of imperialist corruption.

The first object of attack is what the Inquiry Report calls the "aggressive propaganda" of the Girni Kamgar Union. It declares :—

> The Girni Kamgar Union has been described in the leaflets as the Red Flag Union, and its avowed object appears to be the destruction of capitalism.

The report quotes extracts from the leaflets and from the mill workers' paper *Kranti* (Revolution) to illustrate this. Thus, the *Kranti* declares :—

> The Bombay workmen unfurled the Red Flag in order to fight the owners and establish their union, and since then the owners are thinking how to kill this union. The owners were afraid that the mill committees of the Union were following the steps of the "factory soviets" in Russia, and that, as in Russia, this "Soviet" here will one day kick out the owners and establish the Labour Raj, and, therefore, in order to settle it finally they have declared war on the Red Flag.—(*Kranti*, May 19, 1929.)

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> But how will the agitation be stopped by arresting the leaders? Or how is the movement to be killed by declaring it to be illegal? Because the fight of the Red Flag is not dependent on the leaders, but will continue as long as capitalism is in existence. It will continue as long as the owners make money by looting workmen and until the unjust existence of capitalism is . . . But the agitation which has been started by the workmen suffering under repression of capitalism and imperialism, not only of India but of the whole world, cannot be stopped by one or many Governments. In the world the Red Flag has never submitted before any Government.—(*Kranti*, June 16, 1929.)

The gap in the second quotation was left so in the Report; apparently the statement was too dangerous to reprint. The main object of attack in the report, however, is not the character of its propaganda, but its factory basis of organisation. The rules say that the Mill Committees are to be purely advisory. Accordingly, the Report says :—

> There is hardly anything to quarrel with in the rules of the Union as framed. These rules make out the Union to have a sane constitution.

But even before the General Strike, the Mill Committees began to deal with local grievances on their own account and even to call local strikes. That this was freely tolerated is described as "an act on the part of the G. K. Union which clearly disclosed a revolutionary tendency."

The whole of the Report is devoted to the attack on the Girni Kamgar Union. The aim of this attack is to prevent the development of trade union organisations which will not work in harmony with capitalism. In this connection it is interesting to note the interchange of remarks between Mr. Ranadive, one of the officials of the G. K. Union, and Mr. Mody, the Chairman of the Bombay Millowners' Association. Mr. Mody complained that the G. K. Union was not following "recognised trade union principles."

> Mr. Ranadive: What are recognised methods?
>
> Mr. Mody: In the case of a dispute to try and bring about a settlement by negotiations and not to provoke strike after strike.
>
> Mr. Ranadive: Do other trade unions follow these recognised methods?
>
> Mr. Mody: I should think so.
>
> Mr. Ranadive: Is it not true that you were out for a fight to a finish in regard to the present strike?
>
> Mr. Mody: I have already stated that the moment we found

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> ourselves confronted with a Union which was bent upon the destruction of capitalism and organised industries we recognised that we had to fight it some day.

The whole of this experience in Bombay, together with similar experiences elsewhere and the gigantic object lesson of the Meerut trial, provides a political education for the Indian working class which is extremely rapidly raising their whole struggle to a higher plane and the effect of which reaches out to vast numbers beyond those actually participating at the moment in the strike movement. The political significance of strike action has been so underlined, and the Meerut trial has done so much to popularise the slogans of militant mass struggle, that a widespread consciousness of the international importance of the workers' movement has developed out of the very efforts of the imperialists to stifle its growth. The cries of "Down with British imperialism," "Long live the Indian revolution" and even the call for the Dictatorship of the Proletariat and a Soviet India have not only spread everywhere among the workers and replaced the old shouts for Mahatma Gandhi and the National Congress, but have become common also on the lips of political demonstrators not belonging to the working class. Thus, it may be noticed that these proletarian slogans were brought forward in the manifesto of Bhagat Singh and Dutt, the two nationalists who were convicted of throwing a bomb in the Legislative Assembly, and they have been repeated by some of the accused nationalists on trial in the Lahore Conspiracy case and have been widely taken up by nationalist youth sections and mass demonstrations in support of Indian political prisoners. All this testifies to the marked growth of the leadership and influence of the revolutionary proletariat over the revolutionary sections of the petty bourgeoisie and peasantry.

At the present time not only are the bitter conflicts of the Tata tinplate workers and of the oil strikers in Bengal as well as various minor textile and other strikes still being waged, but it is possible that a further big strike on the railways may soon break out. Various sections of the organised railwaymen are calling for a general strike on the railways, a proposal which was only rejected at the All India Railwaymen's Federation earlier in the year by a small majority. The following recent note in the Indian Press on

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the large mass meetings of railwaymen being held in Cawnpore is typical of what is happening in most parts :—

> Processions with red flags passed through the railway colony singing various songs, the common theme being "Victory for Labour" and "Workers of the world unite."

The Policy of the Whitley Commission

In the face of these developments, the policy of British imperialism is two-fold. In the first place, it uses every legal and arbitrary weapon to crush and destroy militant working class organisation and especially the incipient growth of a communist party. In the second place, alongside of the weapon of terror, it seeks to promote and encourage such forms of Indian labour organisation as will docilely fit in with the general scheme of imperialist exploitation. This, of course, is the outstanding object of the Whitley Royal Commission on Labour now touring India.

The Whitley Commission is the direct counterpart to the Meerut trial. The function of the one is to destroy, that of the other to build up. The spokesman of the Labour Government at the Labour Party Conference expressed his concern for "genuine trade unionism" in India, a phrase which has the same meaning as "sane trade unionism" employed in the Textile Inquiry report quoted above, and which takes us back to the "sane trade unionism" of Mr. Osborne of the Osborne judgment, whose principles are now being enforced through the medium of those who once opposed him. "Sane" trade unions are those which serve as useful adjuncts to the working of capitalism and it is the concern of British imperialism, as it is that of Indian capitalism, to see that Indian labour organisation is guided into the channel of class collaboration and kept away from militant class struggle. The membership of the Whitley Commission is eloquent of its function. Mr. Whitley has the same task as he had in England in 1917. He has to turn the attention of Indian workers away from militancy while at the same time securing acquiescence in wage attacks and speeding up. Of the twelve members of the Commission, only two are connected with Indian trade unionism, but one of them is the reactionary General Secretary of the Indian Trade Union Congress. Nevertheless, the fight for boycott of the

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Commission is a very keen one and the division between the right and left wing in the Trade Union Congress which meets in Nagpur early in December will centre round this issue.

The issue is, however, not a simple one between militants and reformists because of the national issue involved. Many nominal leaders of Indian trade union organisations are bourgeois nationalists who have entered the movement in order to ensure that the masses remain under bourgeois leadership. For them, boycott of the Whitley Commission is only a political manœuvre subsidiary to the main object of preventing attack on Indian capitalists. Thus, for instance, the United Provinces Provincial Trade Union Conference last September decided to boycott the Whitley Commission but the following quotation from Mr. Das Tandon, one of the prominent speakers, shows the kind of statement that was made at the same time :—

> To lead a campaign of class war against your countrymen merely because they are capitalists or owners of land would be a suicidal policy and would help the foreign Government which we desire to replace by our own. Look at England itself! Mr. Ramsay MacDonald and the Labour Party are in power. Do they regard the labourers of other countries as their brethren whose interests they have to safeguard in preference to the interests of the capitalists of their own country? The answer is an obvious negative.

However apposite the comment on the Labour Party, the open fear of the Indian working class is a motive force which is driving the speaker and his allies into the arms of the British imperialists. This retreat before the working class is the governing factor in the nationalist movement and has been doubly emphasised by the events following the Irwin proclamation.

The Reaction on the Indian National Congress

What is the position with regard to the bourgeois leadership of the Indian National Congress? The advance of the proletariat during the past year has had its reaction in the corresponding retreat of the bourgeois nationalists. Already at the Calcutta session last December, the main feature was the actual surrender of the demand for independence, the secondary and complementary feature being the face-saving unreal ultimatum and threat of mass action a year ahead.

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During the year this dual policy has been accentuated. Nothing was done to strengthen the anti-imperialist struggle. At the same time, in spite of the increasing anti-working class attitude of the chief leaders, the revolutionary phraseology about a coming "life and death struggle" and the expectation of action rallied a certain mass support to the Congress. After a recruiting campaign, the membership of the Congress was returned at about 450,000 at the end of September, at least four times the figure of a year ago. It may be noted in passing that even this figure falls short by about 140,000 from the quota arrived at, although the latter was taken as only one in four hundred of the population of the provinces of British India. To fulfil such a quota it is only necessary to recruit one or two persons from each village. These would in all probability be well-to-do peasants or landlords or petty bourgeois elements, and therefore even such a figure does not greatly affect the social composition of the Congress.

The hypocrisy and impotence of Indian bourgeois nationalism is not due to lack of reason for conflict with British imperialism. In fact, the many points for discord between them have been accentuated recently because the latter, instead of giving the Indian bourgeoisie facilities for progress and development, is actually driving them out of positions (as in the case of the iron and steel industry) which they formerly held.

If, then, in spite of serious grounds for conflict, the Indian bourgeoisie are reduced to practical subservience to imperialism, the reason is to be found in their abject fear in the face of the advancing Indian workers and peasants. This is forcibly brought out in the definite co-operation of the nationalists in the campaign of repression as far as it strikes at the working-class movement, as seen, for instance, in their support of the Trade Disputes Act and the failure to organise a campaign on behalf of the Meerut prisoners.

Yet Gandhi retreated to make way for the "left" nationalist Jawaharlal Nehru as President of the coming National Congress. This was only a move in the game and was intended more as a gesture to reassure the rank and file, who were becoming restive, than as a means to intimidate the British Government. Gandhi had openly declared the impossibility of fighting and as usual

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in such cases he puts the blame on the masses. He openly said that he was " sceptical about the forthcoming fight." He declared that it was a " gross misrepresentation to say that the masses are impatient to be led to civil disobedience but that I am hanging back. I can only lead people who are prepared. . . . I see no such signs on the horizon."

Accordingly, Jawaharlal Nehru was put forward as the best chance of maintaining the ascendency of the Congress over the masses. The Labour Government replied with the Irwin declaration with its vague promise of " Dominion Status " at the end of a long vista of time, a gesture as empty and insincere as the threat that it was supposed to meet. The whole thing was a piece of play acting which involved the tacit or secret collaboration of the two parties. The Labour Government only gave a very shadowy pretence of yielding to the paper sword of the National Congress. The Indian Nationalists only pretended that the gesture could be regarded as a hopeful move towards the satisfaction of their demands. But the underlying reality was that the Indian reformists, including their left spokesman, made a deal with the British bourgeoisie, acting through its Labour agents, for joint collaboration against a possible mass revolt.

Why then the outburst of criticism from the Tory and Liberal politicians ? Essentially, there were two reasons. Firstly, to assist the Labour Government in making a show with their gesture by giving it the appearance of going above the authority of the Simon Commission. Secondly, to make it perfectly clear to the Labour agents of imperialism that they were only agents and that under no pressure may they depart one iota from the path prescribed by imperialism.

The resulting position is of especial interest as immediately affecting the future of the Indian National Congress and the rôle and leadership of the Indian proletariat. The document accepting the gesture of imperialism is signed by all the chief liberals and the main leaders of the Congress, including the young Nehru, the pillar of the left wing. After expressing the appreciation and hope resulting from the Viceroy's message, it sets down the following conditions :—

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(1) A policy of general conciliation should be definitely adopted to induce a calmer atmosphere.
(2) Political prisoners should be granted a general amnesty.
(3) The representation of progressive political organisations should be effectively secured, and that the Indian National Congress, as the largest among them, should have a predominant representation.

We understand that the Conference is to meet not to discuss when Dominion Status is to be established, but to frame a scheme of Dominion Status for India.

Naturally, British imperialism is not likely to accept these conditions. That has already been made clear and some of the signatories are said to have withdrawn their support. Such vacillations are to be expected but do not alter the significance in any way of having once signed such a document. The essential result is a terrific exposure of the Congress as a whole, left as well as right, sons as well as fathers, revealing the inherent impossibility of the Congress as an organ of the Indian bourgeoisie ever being capable of functioning as the leader of a mass struggle against British imperialism.

It is in decisive moments like this that the real alignment and rôle of such apparently intermediate sections as the I.L.P. in Britain and the "left" nationalists in India is plainly exposed. Just as the leaders of the I.L.P. line up with the Labour Government on this issue, where they had pretended to criticise them, so do the Independence Leaguers make a common front with the rest of the bourgeoisie in India. The effect will be evident to all at the coming Lahore Congress, where the question of action against British imperialism, except perhaps in the most limited and unreal form, will once again be shelved.

The Future of the Anti-Imperialist Struggle

The Congress movement has passed a turning point. It can confidently be predicted that the mass following of the Congress will once again fall away. This last betrayal denotes the end of the rôle of the Indian National Congress even as the pretended leader of the anti-imperialist struggle.

Following the lead of the National Congress are many elements who had pinned their hopes on a victory of the left bourgeois nationalists in the Congress as signifying the opening of a radical struggle against imperialism. The last events must open their eyes

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to the impossibility of any uncompromising struggle under bourgeois leadership whether left or right. The way forward now is to be found only in a frank recognition that the Indian proletariat is the sole possible leader in the struggle for national, as well as for social, emancipation. The rank and file of the Congress must co-operate with the Indian working class in building up new forms of organisation for the national struggle in which bourgeois leadership will be eliminated.

How far can the working class be certain to secure its class leadership in such new forms of organisation? Clearly it can do so only in proportion as these new forms are dominated by mass organisations of the working class and in proportion as the political party of the working class, the Communist Party, is organised and developed. Such a bloc comprising petty bourgeois and peasant as well as working class elements may be constituted by a mass organisation of the League against Imperialism. As long as it remains a mass body in which working-class leadership is organised and expressed and is constituted as a joint body with limited aims for action during a certain limited period, it will have an important function to fulfil in the struggle.

The time is ripe for the working class in India to take the full leadership of the national struggle. It can only do so if it is itself led by a militant class-conscious organisation. That is the factor which is holding back the development of the mass national struggle for the overthrow of imperialism. In spite of repression and persecution, in spite of the joint onslaughts of British imperialism and Indian capitalism, the working class in India is going forward towards the accomplishment of its historic tasks. A period has opened in which one year witnesses a development outstripping that of a past decade, and it is precisely now that all the revolutionary classes look expectantly for the leadership of the Communist Party, which in international alliance with the militant workers of the world will guarantee the success of the Indian revolution.

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HOOVER AND MACDONALD

By SCOTT NEARING

AFTER the conclusion of their secret conversations in Washington, Hoover and MacDonald issued a joint statement which nimbly evaded any direct references to the subjects discussed. "Our conversations," they said, "have been largely confined to the mutual relations of the two countries in the light of the situation created by the signing of the peace pact. Therefore, in a new and reinforced sense the two governments declare that not only is war between them unthinkable, but that distrusts and suspicions arising from doubts and fears which may have been justifiable before the peace pact must now cease to influence national policy."

The statement that war between the two countries is "unthinkable" was picked up by the capitalist Press which let loose a barrage of "pacifist" propaganda. That was evidently what Hoover and MacDonald wanted. Yet the significance of the joint statement lay not in its expression of the pacifist intentions of the world's two foremost imperialist powers, but in its implied admission that the Hoover-MacDonald conversations had solved none of the Anglo-American conflicts. Their statement declared that, on the assumption "that war between us is banished," the British and American governments have agreed that "old historical problems" are possible of solution and are to be the subjects of future conversations. In other words, these problems—they were not specified—remain unsolved. Furthermore the joint statement indicated that agreement had not even been reached on the question of naval limitation. The statement says :—

> The exchange of views on naval reduction has brought the two nations so close to agreement that the obstacles in previous conferences arising out of Anglo-American disagreements seem now substantially removed.

Nevertheless, this aspect of the statement was overlooked by the Press. Newspapers, ranging from ultra-conservative organs like the *Washington Post*, to the social-democratic *New Leader*

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hailed MacDonald as a harbinger of peace. This united front, engaged in spreading pacifist illusions, held together until the last days of MacDonald's visit.

When MacDonald stepped from the deck of the "Berengaria," he was greeted by an official reception committee, which included Morris Hillquit, national chairman of the Socialist Party; Norman Thomas, Socialist candidate for President; J. P. Morgan, Owen D. Young and other leading bankers and industrialists. A naval and military escort welcomed the messenger of peace. Throughout his stay MacDonald was fêted by the big bourgeoisie. One of his evenings was "crowned with the pleasure" of addressing a dinner attended by leading financiers and industrialists, presided over by Elihu Root. Another evening was spent at the house of Thomas W. Lamont, of J. P. Morgan and Company.

After several days of unfulfilled hope that MacDonald and Hoover would clarify their joint declaration, the Press began openly to express disappointment at the emptiness and ambiguity of the joint statement. The conservative Republican papers, which had joined the chorus of welcome, then resumed their attacks.

Why did MacDonald come to the United States? What was in the mind of Hoover and his millionaire advisers when he spent long hours with the British Prime Minister in the seclusion of his Blue Mountain camp?

Perhaps the most plausible explanation is that the directors of United States foreign policy were trying, indirectly, to give a validity to the Kellogg Pact which it has never possessed. Certainly the Kellogg Pact was mentioned sufficiently to justify the assumption that it was one of the major issues discussed.

"Distrusts and suspicions arising from doubts and fears which may have been justified before the peace pact must now cease to influence national policy," MacDonald and Hoover declare in their joint statement of October 9. Further in the same statement: "In view of the security afforded by the Kellogg Pact, we have been able to end, we trust forever, competitive building between ourselves with the risk of war and the waste of public money involved." Two days later MacDonald described the Kellogg Pact as "one of the foundation events upon which great structures of constitutions and institutions can be built."

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Why should American statesmen wish to amplify the Kellogg Pact? Why, indeed, unless they hope, by means of it to build up a world machine, dominated by the United States, that can successfully make head against the League of Nations.

The United States has never joined the League. Britain and France easily control its policy. The League stands as a persistent obstacle to the world ambitions of the United States imperialists. How shall they meet this obstacle? By building an effective rival organisation in the form of a world Monroe Doctrine, of which the Kellogg Pact is the entering wedge.

The issue is far from clear. The British representatives insisted that the Five Power conference to be held in London, January, 1930, is preliminary and tentative—apparently, a mere preparation for later action by the League of Nations. Arthur Henderson emphasised this point in the last paragraph of his call to the conference:—

> I should like to emphasise that His Majesty's Government have discovered no inclination in any quarter to set up new machinery for dealing with the naval disarmament question. On the contrary, it is hoped by this means a text can be elaborated which will facilitate the task of the League of Nations Preparatory Commission and of the subsequent general disarmament conference.

France and Italy in accepting the British invitation have stressed this statement of Henderson's. The United States acceptance, however, ignores this point. Meanwhile official Washington and the inspired American Press continues to stress the Kellogg Pact. Rumour has it that Secretary Stimson is seeking some formulæ that will enable him to secure Senate action in this general direction.

A second possibility suggests itself. Since the Anglo-French naval agreement of 1928 was published, United States diplomacy had evidently been aimed at splitting this menacing alliance. Does this mean an Anglo-American alliance? MacDonald, speaking in New York, October 11, said "No!" most emphatically. "Two nations," said he, "cannot make the peace of the world." Still, the French Press has treated the MacDonald visit as a bid for a possible alliance and the French Government is turning for consolation to Italy. The issue has become a part of the international political situation.

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There is still another explanation for the MacDonald conversations. Hoover is stalling. He and his advisers realise full well the terrible economic stranglehold which the United States ruling class has on the British ruling class. They need only wait. Each year the American grip tightens. Year by year the British position will become less tenable.

One thing is certain : economic war between Britain and the United States goes steadily on. The British Committee on Industry and Trade proclaimed in its *Survey of Overseas Markets* : " The United States is a formidable competitor in practically all classes of goods which are produced in the United Kingdom." Add to this statement the growing power of the United States as an investing nation, the increasing emphasis of the United States on an effective merchant marine, the keen competition between British and American interests for oil, rubber and the like, and there emerges a picture of two mighty capitalist empires contending for the economic supremacy of the world.

Is Anglo-American rivalry dead ? No. MacDonald's visit did not give it more than a thin coating of transparent varnish. Despite fine words, like Wilson in the Paris Peace Conference, he was defeated before he set foot on the decks of the " Berengaria," defeated by the sweep of competitive economic forces which Hoover seems to understand more clearly than MacDonald. After all, Hoover is a confirmed outspoken representative of the most aggressive United States imperialism. It is MacDonald who cloaked British imperialism in the delusive language of pacifist Utopias.

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"CROSS ROADS"—A CRITICISM

By THE EDITOR OF THE "LABOUR MONTHLY"

AN article on Anglo-Soviet relations appeared in the last issue of the LABOUR MONTHLY under the title "Cross-Roads" by W. N. Ewer, who has been from the foundation of the LABOUR MONTHLY one of its most constant and valued contributors, as well as its helper in every way and joint-founder. This fact makes it the more necessary to criticise the above article, which is wholly out of accord with the line of the LABOUR MONTHLY and of the international working class. The conditions of publication at the time made it impossible to add any critical comment to the article when it was published last month; we are therefore taking the first opportunity to come to it now.

The general character of the article is to treat Anglo-Soviet relations, *i.e.*, the relations of British Imperialism and the State of the proletarian dictatorship, as a continuation, through new forms, but with close analogies, of the relations of British Imperialism and Tsarist Russian Imperialism. "Anglo-Russian hostility of the past eleven years" is declared to be "a compound"; one factor is declared to be "the natural opposition between an imperialist capitalist country and a revolutionary socialist country"; the second is "*the century-old rivalries and mutual fears of England and Russia as Asiatic Powers.*" "Of these two," it is further declared, "*the second is gradually becoming more important than the first, as the years of actual revolution recede into history.*" This is the perspective of the world situation presented by the writer. The remainder of the article proceeds to analyse Anglo-Soviet relations in terms of a continuous development of Anglo-Russian rivalry in Asia, which is traced in a line from the eighteenth century to the present day; British anti-Soviet policy is declared to be "quite naturally, a rebirth of the old policy"; the campaign against the Soviet Union is defined as "the task of defending India in Poland—and a dozen other countries."

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This treatment is the common treatment of bourgeois expression, from *The Times* to the *Daily Herald*, and especially of Liberal-Labour bourgeois expression, which invariably endeavours to conceal class issues, to seek to balance Western Imperialism by "Red Imperialism," &c. The flagrant error here is the same as that of "Outpost" recently in the *Sunday Worker*, when he compared the problem of the Soviet Republic over the Chinese Eastern Railway as identical with that of British Imperialism at Hankow in 1927. Such a treatment is only possible on the basis of a complete blindness to class issues, of an abstract balancing of Revolution and Counter-Revolution as two parallel forces to be regarded with majestic impartiality from the standpoint of a classless liberalism, of a complete inability to analyse a situation in class terms and from the standpoint of the interests of the proletariat, *i.e.*, of a complete repudiation of socialism and Marxism.

Comrade Ewer defends his thesis that the anatagonism of Britain and the Soviet Union is essentially an antagonism of rival "Asiatic Powers," rather than an antagonism of Imperialism and the Revolution, on the grounds that "America and Germany are no less capitalist countries than England," yet relations here are "vastly better"; the intensity of Anglo-Soviet antagonism is due to the special question of Asia; "the Anglo-Russian problem of to-day, as of the last century, is an Asiatic one." The sophistry of this line of argument is glaring. Just as in the most superficial liberal treatment, the issue of capitalism and socialism is seen, not on a world scale as the battle of Imperialism and the World Revolution, dominating every issue in world politics, but as a dilettante issue of two alternative social systems in England and Russia, which ought to be able to live peaceably alongside one another. The question in Asia is seen as an external one; it is actually presented as disproof of the fact that the issue is an issue of "capitalism"; *i.e.*, "*capitalism*" *is completely divorced from imperialism;* and the gigantic struggle in Asia, instead of being seen in terms of the mass colonial revolutionary struggles against imperialism for independence as an integral part of the world revolution, *and therefore making Asia a central meeting-ground and battleground of World Imperialism and the Revolution*, is caricatured as a question of rival ambitions and fears of "England" and

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" Russia " in Asia, just as between the Foreign Office and Tsarism in the nineteenth century. Such a travesty of history is to be expected in the columns of the Press of imperialism ; it has no place in a serious revolutionary working-class journal.

Having thus divorced the issue in Asia from the issue of imperialism and the revolution, Comrade Ewer proceeds to find that the antagonism of imperialism and the revolution is growing milder. " The years of actual revolution recede into the background." England and Russia are intent on internal politics and peaceful reconstruction. The British Government is presented, not as fighting to crush the national revolutionary movements of the masses with armed and judicial terrorism, and strategically seeking the alliance of the national bourgeoisie and big landowners to assist in this suppression, but as peaceably and amicably seeking to " appease the nationalist movements " by " compromises " (witness Palestine and Meerut). The Soviet situation is presented in conventional bourgeois-national terms: " Russia has become, more than at any time since the revolution, introverted. . . . With the dying away of the big revolutionary wave there has come a diversion of interest from the foreign to the domestic field." Nothing stands in the way of lasting peace between Britain and Russia but " mutual fears." " Neither country wishes—neither can afford to wish—for war."

The perspective of the world situation which the writer here holds out to hope is thus a perspective of increasing world stabilisation, of the dying away of the world revolution, of the harmonising of antagonisms. It is unnecessary to state that this perspective is in complete contradiction to the revolutionary Marxist analysis of the present period as a period of intensifying contradictions, of the increase of the war danger, and of the beginnings of a new revolutionary wave (of which new revolutionary wave the titanic socialist offensive of the Five Years' Plan is an integral part, no less than the rising colonial revolutionary struggles in Asia and Africa or the gathering economic-political mass struggles in Europe).

What are the practical consequences of this treatment ?

The first is that *the rôle of British Imperialism is falsely presented*, its ruthless crushing of the national revolutionary movements covered over under the picture of seeking to " appease the nationalist

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movements," its drive to war denied, its campaign against the Soviet Union presented as simply due to "fear" and "defensive" in character, so that the whole treatment becomes an apologetic of the most predatory and brutal imperialism as pacific and "on the defensive."

The second is that *the rôle of the British Labour Government is falsely presented*, not as the instrument of imperialist oppression and of the imperialist drive to war, but as pacific and holding out the prospect of a pacific perspective.

The third is that *the rôle of the colonial revolutionary struggles for freedom is falsely presented* in the conventional bourgeois form as a phase of Russian activity in Asia, utilising "the big revolutionary impulse emanating from Moscow," and making the Anglo-Russian problem of to-day "basically the same as that of the last century."

The fourth is that *the danger of war, instead of being underlined, is minimised* ("neither country wishes for war"); and the resumption of Anglo-Soviet relations is presented, not as a phase in the development of imperialist antagonism to the Soviet Union (the underlying hostility is in fact sufficiently obvious from the whole character of the long-drawn negotiations, and from every speech of MacDonald and Henderson), but as a pacific move, opening out the possibility of a new era of peace. This is not a service to peaceful Anglo-Soviet relations, but the reverse. Just when warning to the workers is most needed, when the true rôle of the Labour Government in all the negotiations as the catspaw of imperialism, of the City creditors and the counter-revolutionaries, needs to be most sharply exposed, their professions are instead presented at face value as an earnest of peace, and the vigilance of the workers is weakened, thus helping the warmongers.

The net effect of the article is thus to encourage and propagate the pacific illusions which the Labour Government is seeking to spread, to encourage and propagate hope and confidence in the Labour Government, to soften the opposition of the working class to imperialism, and to weaken the preparations of the working class against war.

Accordingly, we consider it necessary to place on record our categorical repudiation of the article as in glaring contradiction to the line of the LABOUR MONTHLY and of the revolutionary working class.

THE EDITOR OF THE "LABOUR MONTHLY."

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The World of Labour

	Page
U.S.A. : American Federation of Labour Convention - -	761
FINLAND : Trade Union Federation and the Social Democrats -	762
ITALY : Conference of the Trade Union Confederation - -	763

U.S.A.

American Federation of Labour Convention

THE Forty-ninth Annual Convention of the A.F. of L. was held at Toronto from October 7-26. There were 384 delegates present, and an increase in membership of 37,000 was officially claimed. After the announcement in the summer of three-quarters of a million rise this is somewhat of an anti-climax, especially when last year's slogan " Double the Membership " is remembered, and the fact that the numbers are still below the 3-million mark, as compared with 5 millions in 1920.

The tone of the Congress was rather subdued and timid compared with last year ; the leaders were on the defensive, and their attitude has been claimed by the progressive *Labor Life* as hopeful and an advance on recent years. It quotes, in support of its view, the more friendly attitude towards old age pensioners, President Green's retort to the Commander of the American Legion (who was, however, allowed to address the Congress in favour of conscription in anticipation of the next war) that " it is rather contradictory for us to make preparations for war, when all are seeking the ways of peace," and, finally, Green's conciliatory reply to the British fraternal delegates' report of " storming the citadel of capitalism " by the British Labour Party that—

> if the time should come when the great congress of Labour believed that the best interests of working men and women would be served by the development of a Labour Party, we should not hesitate to face the issue.

But the traditional " non-partisan " attitude was reaffirmed, although it was shown to be hampering and ridiculous in the burning question of putting an end to the system of " Injunctions " and the fight against the re-election of the notorious Judge Sullivan and other injunction-loving judges, both Republican and Democratic.

An interesting episode was the appearance of Sir Henry Thornton, President of the Canadian National Railways, who brought forward a Mondist scheme, embodying a " new partner relation " in industry in which the right to organise is conceded and exercised by both parties, with suitable negotiating machinery. The Convention ordered the printing of the speech and discussion as a pamphlet for distribution among trade unionists, and the *Federation News* of the Chicago F. of L. describes the scheme as " indicating a long step in the direction of civilising and christianising industry and making

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things better not alone for the men who worked in the industry but for the owners as well." This industrial peace move no doubt harmonises with Green's re-statement of the purpose of the Federation as "human (not class) betterment," and the search for the best immediately obtainable—not the millennium.

The Convention was also addressed by Mr. Ramsay MacDonald on the subject of his "holy mission" of peace on earth—President Green's description—but the effect was somewhat marred by the report of the Metal Trades Department, which boasted of its part in putting through the Fifteen-Cruiser Bill, and their claim that "seldom in our experience has a legislative programme of the Trade Union Movement been so successful in the face of powerful and nation-wide opposition."

The Conference was both offended and hurt by a very frank and scathing attack launched on the eve of the Convention by the Scripps Howard group of papers, which is usually friendly to Labour. Headed "Where is the A.F. of L.?" the article goes on to describe it as "a somewhat pathetic organisation," which has shown itself unable to protect labour against unemployment, and which has no hold on such basic industries as steel, motor cars, rubber and oil, in which labour has neither organisation nor collective bargaining, while in coal and textiles it is losing what hold it had from lack of constructive programme.

> The truth is that the A.F. of L. is failing miserably in its stewardship—every year its weakness is more apparent. The Southern textile situation is a vivid example of that failure. For thirty years the A.F. of L. has ignored this field. The job has been left to the Communists. While the hungry Southern mill hands are facing the organised employers and hostile authorities . . . the sleek A.F. of L. officials sit twiddling their thumbs at mahogany desks at Washington or making patriotic speeches. . . . The A.F. of L. is accurately described as the aristocracy of Labour. All aristocracies are subject to dry rot.

FINLAND

Trade Union Federation and the Social Democrats

EVER since the last annual meeting of the Finnish Trade Union Federation in June, 1929, the Social Democrats have been making strenuous efforts to undermine its revolutionary character and to disintegrate it.

Their first step was to hold a special Social Democratic Trade Union Conference, to which the Social Democratic Press gave full publicity, although it was a small and unrepresentative gathering.

This Conference decided, in its own words, "to break off relations with the Trade Union Federation, in which the Communists have usurped the whole power for themselves, to stop contributions, to persuade the other unions to leave the Federation, and, where necessary, to establish new Social Democratic trade unions." It also elected a committee to act as a link between the breakaway unions, and in addition instructed it "to maintain the connections with the Amsterdam International."

This action has been taken in spite of numerous concessions made to the moderate elements within the Federation, including executive repre-

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sentation far beyond their numbers or their influence. At the June Congress the Social Democrats were offered not only several seats on the E.C., but also the post of President, but they rejected the offer when they found that they would not be able to overrule the wishes of the vast majority of the 90,000 workers affiliated to the national centre.

At the October meeting of the General Council of the T.U.F. it was decided that the time for concessions was past, and a stronger line was taken than had been thought advisable in June. The proposal to refer the "Unity Question" to a Special Congress was turned down, and a further resolution required all affiliated unions to expel members of the "Social-Democratic Delegation." A vote of censure was passed on the General Secretary for criticising the intervention of Russia in the affairs of the Finnish T.U. movement, and the decision that the T.U.F. should be represented at I.L.O. Conferences was altered to one resolving to abstain from sending delegates to Geneva.

This line is in harmony with the trend of events in Finland, where a revolutionary spirit is increasingly in evidence. This is exemplified in the recent metal strike which lasted ten months, and the transport strike which ran for a year before the Social Democratic Government assisted the employers to wind them up by forcing mediation upon the workers. It was to be seen in the Red Day demonstrations, which were reminiscent of the revolutionary days of 1918. More recently still it has shown itself in the general strike called by the T.U.F. in support of the hunger strike of political prisoners, over 100 of whom had been in prison since 1919. The prisoners were forced to abandon their protest against ill-treatment and bad conditions, but demonstrations were held all over the country on their behalf which should force the Government to take action before very long.

ITALY

Conference of the Trade Union Confederation

THE Italian Confederazione Generale di Lavoro, which was held in October last, was of great interest and importance, both in itself, in view of the difficulties under which it laboured, being an illegal body, and also because of the decisions arrived at by the Conference.

In addition to the E.C., there were twenty-six delegates from Italy and eleven representatives of emigrant Italian workers, as well as fraternal delegates from the R.I.L.U., the French C.G.T.U. and the Italian C.P. The very fact of the holding of the Conference gave the lie to the assertions of Fascists and Social Democrats that the C.G.L. no longer exists in Italy, and its deliberations showed that it was very alive to the needs of the workers.

The Conference agenda included the following main items:—

(1) The situation in Italy and the tasks of the Confederation. It was shown that Fascism had not succeeded in solving the economic crisis, which is becoming more and more acute, that a political crisis is also developing, and that these two factors are leading to the disintegration of Fascism and the revival of the Labour Movement.

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(2) The international relations of the Federation. It was decided to sever all relations with the Amsterdam Trade Union International, which had relinquished its opposition to Fascism, and to carry on a campaign to convince the Italian masses of the necessity of affiliating with the R.I.L.U. so that the Federation should be organisationally connected with the proletariat of other lands.

(3) Work in the Fascist Trade Unions. This was declared to be absolutely necessary since thousands of workers have been forced into these unions who are really in sympathy with the aims of the Federation. The work is admittedly difficult, but resistance to it must be overcome.

(4) Work among the emigrants was also agreed to be of vital importance, and plans were put forward for initiating a vigorous campaign.

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Index to Volume XI

January-December, 1929

I—AUTHORS

		Pages
Adam, J.	The Twilight of Vienna	365-369
Allan, W.	The Position of the Scottish Miners	278-284
Ancrum, Jim	The W.I.R. and the Dawdon Lock-out	555-558
Bridgeman, R.	The World Struggle Against Imperialism	417-424
Browder, Earl	The Workers' Movement in the Philippines	425-432
Burns, Emile	World Congress of League Against Imperialism	559-563
Campbell, J. R.	The New Trade Union Situation	207-214
Cook, A. J.	Cook's Break with the Revolutionary Working Class:— I.—A Statement II.—Editorial Reply	342-348
Dobb, Maurice	The Problem of Industrialisation in Russia	359-364
	The Five-Year Plan in Soviet Economy	655-662
Dutt, Clemens	The Indian League for Independence	22-28
	The Class Struggle in India	405-416
	The Rôle and Leadership of the Indian Working Class	741-752
Editor, "Labour Monthly"	Cross Roads—A Criticism	757-760
Ewer, W. N.	Delhi and Kabul	81-84
	King Fuad and King Feisal	224-228
	Cross Roads	671-677
Ex-Civil Servant	What About the Civil Service?	694-697
Freeman, F. E.	Arbitration in New Zealand	631-633
Gallacher, Wm.	Facing the War Makers	468-471
Graham, Gore	Capitalism Looks at its Servants	115-118
	The Anglo-American Struggle and British Imperial Unity	611-618
Griffin, R. F.	"Democracy" in New Zealand	302-305
Groves, Reg.	Chartism and the Present Day	47-56
	Class Leadership in the Chartist Movement	240-244
	The Brighton Labour Party Conference	678-685
Hannington, W.	Unemployment and the Labour Government	731-740
Higgins, E. M.	The Censor in Australia	57-58
Horner, Arthur	The Minority Conference and the T.U.C.	603-610
Hutt, G. A.	Coal, Charity and the Class Struggle	143-150
J. M. B.	Labour Imperialism in Egypt	619-626
Jackson, T. A.	Essays in Censorship	233-239

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

		Pages
Joss, W.	Labour's Promise and Performance	499-503
Lee, H.	The Cotton Lock-out	546-554
Lenin, H.	Political "Neutrality" in Trade Unions	14-21
	The Easter Rising in Ireland, 1916	215-219
	Socialism and War	472-488
Lenz	Einstein and Dialectical Materialism	220-223
Lovestone, Jay.	President Hoover of U.S.A.	29-39
Mahon, John A.	Resisting Rationalisation	107-114
	Revolutionary Work in the Trade Unions	349-358
	Before the Belfast Trade Union Congress	540-545
	New Times—New Tactics	663-670
Marx, Karl	The Chartist Movement	721-730
Naylor, David	Reparations and the Working Class	627-630
Nearing, Scott	Hoover and MacDonald	753-756
Pollard, Graham	The Role of the Censorship	433-438
Pollitt, Harry	The General Election and the Class Struggle	273-277
	The Future of Revolutionary Trade Unionism	489-498
Pieck, Wilhelm	Sharpening Class War in Germany	337-341
Purkis, Stewart	Railworkers and the Coming Struggle	85-89
	A Sidelight on Mondism	229-232
	Railworkers and Revolutionary Struggle	592-602
Ranson, Florence	Co-operative Politics	40-44
Raskolnikov	The War in Afghanistan	179-185
Rathbone, Hugo	The I.L.P. Conference	289-294
Riazanov, D.	On Engel's "Anti-Dühring" 97-106;	171-178
	Lassalle and Bismarck 295-301;	370-374
Rothstein, A. F.	Looking Ahead	399-404
	Preparing War on Soviet Russia	533-539
Roux, Edward	What is the I.L.P. Doing in South Africa?	90-96
Roy, M. N.	The Indian Bourgeoisie and the National Revolution	163-170
Ryan, J.	Labour Government in Queensland	245-251
Spratt, Phillip	India on the Eve of Revolt	285-288
Usmani, Shaukat	An Echo of the General Election	504-508
Williams, Garfield	The Mining Situation	686-693

II—SUBJECTS

Afghanistan	Delhi and Kabul	81-84
	The War in Afghanistan	179-185
Australia	The Censor in Australia	57-58
	Labour Government in Queensland	245-251
Austria	The Twilight of Vienna	365-369
Book Reviews	63-64; 125-128; 189-192; 312-316; 382-384; 444-445; 511-512; 571-574; 636-640; 703-704	

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

		Pages
British Capitalism	1928-1929	3-13
	The British Economic Perspective	67-80
British Labour Government	The Second Labour Government	387-398
	A Jingo Labour Government	515-527
	The Labour Government and the Economic Situation	707-720
British Labour Movement	Capitalism Looks at its Servants	115-118
	Towards New Economic Struggles	131-142
	The I.L.P. Conference	289-294
	Cook's Break with the Revolutionary Working Class :— I.—A Statement II.—Editorial Reply	342-348
	Looking Ahead	399-404
	Labour's Promise and Performance	499-503
	A Workers' Daily	643-654
	The Brighton Labour Party Conference	678-685
British Trade Unionism	The New Trade Union Situation	207-214
	The Future of Revolutionary Trade Unionism	489-498
	Before the Belfast Trade Union Congress	540-545
Censorship	Essays in Censorship	233-239
	The Role of Censorship	433-438
Chartism	Chartism and the Present Day	47-56
	Class Leadership in the Chartist Movement	240-244
	The Chartist Movement	721-730
Civil Service	What About the Civil Service?	694-697
Co-operative Movement	Co-operative Politics	40-44
	A Co-operative Minority Movement	45-46
Cotton	The Cotton Lock-out	546-554
Egypt	King Fuad and King Feisal	224-228
	Labour Imperialism in Egypt	619-626
Engels	On Engel's "Anti-Dühring" 97-106;	171-178
General Election	On the Eve of the Election	195-206
	The Class War in the Election	259-272
	The General Election and the Class Struggle	273-277
	An Echo of the General Election	504-508
Germany	Sharpening Class War in Germany	337-341
History of Socialism	Lassalle and Bismarck 295-301;	370-374
India	The Indian League for Independence	22-28
	The Political Situation in India	151-162
	The Indian Bourgeoisie and the National Revolution	163-170
	India on the Eve of Revolt	285-288
	The Class Struggle in India	405-416

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		Pages
INDIA—*contd.*	The Rôle and Leadership of the Indian Working Class	741-752
INTERNATIONAL	The New Government and the International Situation	323-336
	From Geneva to Washington	579-591
	Hoover and MacDonald	753-756
LENINISM	Political "Neutrality" in Trade Unions	14-21
	The Easter Rising in Ireland, 1916	213-219
	Socialism and War	472-488
LEAGUE AGAINST IMPERIALISM	The World Struggle Against Imperialism	417-424
	World Congress of League Against Imperialism	559-563
MINING	Coal, Charity and the Class Struggle	143-150
	The Position of the Scottish Miners	278-284
	The Mining Situation	686-693
MINORITY MOVEMENT	Resisting Rationalisation	107-114
	Revolutionary Work in the Trade Unions	349-358
	The Minority Conference and the T.U.C.	603-610
	New Times—New Tactics	663-670
NEW ZEALAND	"Democracy" in New Zealand	302-305
	Arbitration in New Zealand	631-633
NOTES OF THE MONTH	3-13; 67-80; 131-142; 195-206; 259-272; 323-336; 387-398; 451-467; 515-527; 579-591; 643-654; 707-720	
PHILIPPINES	The Workers' Movement in the Philippines	425-432
RAILWAYS	Railworkers and the Coming Struggle	85-89
	A Sidelight on Mondism	229-232
	Railworkers and Revolutionary Struggle	592-602
REPARATIONS	Socialists and the Hague Conference	528-532
	Reparations and the Working Class	627-630
SCIENCE	Einstein and Dialectical Materialism	220-223
SOUTH AFRICA	What is the I.L.P. Doing in South Africa?	90-96
UNEMPLOYMENT	Unemployment and the Labour Government	731-740
UNITED STATES OF AMERICA	President Hoover of U.S.A.	29-39
	The Anglo-American Struggle and British Imperial Unity	611-618
U.S.S.R.	The Problem of Industrialisation in Russia	359-364
	Preparing War on Soviet Russia	533-539
	The Five-Year Plan in Soviet Economy	655-662
	Cross Roads	671-677
WAR	Facing the War Makers	468-471
W.I.R.	The W.I.R. and the Dawdon Lock-out	555-558
WORLD OF LABOUR	58-64; 119-124; 186-188; 253-256; 306-311; 375-381; 439-443; 509-510; 564-570; 634-635; 698-702; 761-764	

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Volume 11 August, 1929 Number 8

PRINCIPAL CONTENTS

Notes of the Month
1914—1929 R. P. D.

Facing the War Makers
W. GALLACHER

Socialism and War
N. LENIN

The Future of Revolutionary Trade Unionism
HARRY POLLITT

Labour's Promise and Performance
W. JOSS

An Echo of the General Election
SHAUKAT USMANI

The World of Labour : Book Review

Volume 11 September, 1929 Number 9

PRINCIPAL CONTENTS

Notes of the Month
A JINGO LABOUR GOVERNMENT R. P. D

Socialists and the Hague Conference
"PRAVDA"

Preparing War on Soviet Russia
ANDREW ROTHSTEIN

Before the Belfast Trade Union Congress
J. A. MAHON

The Cotton Lock-Out
H. LEE

The W.I.R. and the Dawdon Lock-Out
JIM ANCRUM

World Congress of League against Imperialism
EMILE BURNS

The World of Labour : Book Review
Correspondence

Volume 11 October, 1929 Number 10

PRINCIPAL CONTENTS

Notes of the Month
FROM GENEVA TO WASHINGTON
R. P. D.

Railworkers and Revolutionary Struggle
STEWART PURKIS

The Minority Conference and the T.U.C.
ARTHUR HORNER

The Anglo-American Struggle and British Imperial Unity
GORE GRAHAM

Labour Imperialism in Egypt
J. M. B.

Reparations and the Working Class
DAVID NAYLOR

Arbitration in New Zealand
F. E. FREEMAN

The World of Labour : Book Review

Volume 11 November, 1929 Number 11

PRINCIPAL CONTENTS

Notes of the Month
A WORKERS' DAILY R. P. D.

The Five-Year Plan in Soviet Economy
MAURICE DOBB

New Times—New Tactics
JOHN A. MAHON

Cross Roads W. N. EWER

The Brighton Labour Party Conference
REG. GROVES

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